



FINTEC

GLOBAL BERHAD



ANNUAL REPORT 2021



CONTENTS

Corporate Section

Group Structure	02
Corporate Information	03
Group Financial Highlights	04
Chairman's Letter to Shareholders	05
Directors' Profile	08
Key Senior Management Profile	11
Management Discussion and Analysis	12
Corporate Sustainability Statement	17
Corporate Governance Overview Statement	21
Other Compliance Information	33
Audit Committee Report	37
Statement on Risk Management and Internal Control	40
Financial Statements	42

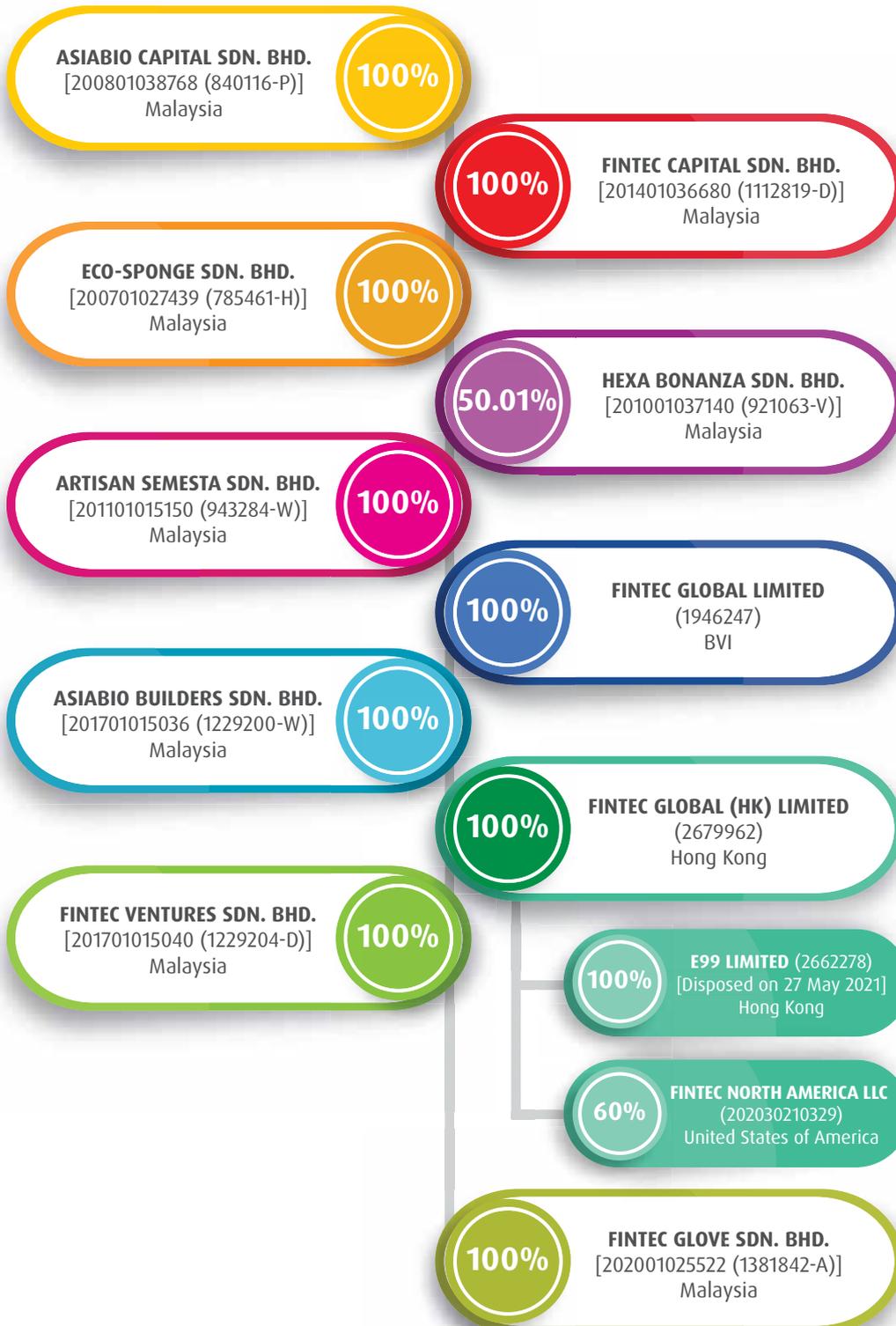
Financial Section

Directors' Report	43
Statement by Directors and Statutory Declaration	51
Independent Auditors' Report	52
Statements of Profit or Loss and Other Comprehensive Income	55
Statements of Financial Position	56
Statements of Changes in Equity	58
Statements of Cash Flows	62
Notes to Financial Statements	65
Analysis of Shareholdings	114
Analysis of Preference Shareholdings	116
Analysis of Warrantholdings (Warrant A)	119
Analysis of Warrantholdings (Warrant B)	121
Analysis of Warrantholdings (Warrant C)	123
Notice of Annual General Meeting	125
Proxy Form	

CORPORATE STRUCTURE

FINTEC GLOBAL BERHAD

[200701016619 (774628-U)]
Malaysia



CORPORATE INFORMATION

BOARD OF DIRECTORS

DATO' SERI ABDUL AZIM BIN MOHD ZABIDI

Independent Non-Executive Chairman

ONG TEE KEIN

Independent Non-Executive Director

CHU CHEE PENG

Senior Independent Non-Executive Director

YM TENGKU AHMAD BADLI SHAH BIN RAJA HUSSIN

*Independent Non-Executive Director
(Resigned from Non-Independent Non-Executive Director to Independent Non-Executive Director w.e.f. 28 September 2020.)*

TAN SIK EEK

*Managing Director
(Resigned from Executive Director to Managing Director w.e.f. 31 March 2021)*

AUDIT COMMITTEE

Ong Tee Kein
Chairman

YM Tengku Ahmad Badli Shah
Bin Raja Hussin

Chu Chee Peng

REMUNERATION COMMITTEE

Chu Chee Peng
Chairman

Ong Tee Kein

YM Tengku Ahmad Badli Shah
Bin Raja Hussin

NOMINATION COMMITTEE

Chu Chee Peng
Chairman

Ong Tee Kein

YM Tengku Ahmad Badli Shah
Bin Raja Hussin

OPTION COMMITTEE

Tan Sik Eek
Chairman

Ong Tee Kein

Chu Chee Peng

REGISTERED OFFICE

10th Floor, Menara Hap Seng
No. 1 & 3, Jalan P. Ramlee
50250 Kuala Lumpur
Tel No. : +603-2382 4288
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PRINCIPAL PLACE OF BUSINESS

Factory

68, Jalan Waja 2
Taman Industri Waja
09000 Kulim, Kedah
Tel No. : +604-402 6350
Fax No. : +604-489 3833

Corporate Office

Lot 13.1, Level 13, Menara Lien Hoe
No. 8, Persiaran Tropicana
Tropicana Golf & Country Resort
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Selangor Darul Ehsan
Tel No. : +03 - 7622 6988
Fax No. : +03 - 7622 6989
Email : mail@fintec.global

COMPANY SECRETARY

Ng Sally
(MAICSA 7060343/PC No. 202008002702)

AUDITORS

ChengCo PLT
[201806002622 (LLP0017004-LCA) &
AF 0886]
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Fax No. : +603-7984 4402

SHARE REGISTRAR

Tricor Investor &
Issuing House Services Sdn. Bhd.
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel No. : +603-2783 9299
Fax No. : +603-2783 9222

PRINCIPAL BANKER

CIMB Bank Berhad

LISTING STATUS

ACE Market of Bursa Malaysia
Securities Berhad
Sector : Financial Services
Sub-sector : Other Financials

WEBSITE

<http://www.fintec.global/>

Group Financial Highlights

	Year Ended 30 June 2021	Year Ended 31 March 2020	Year Ended 31 March 2019	Year Ended 31 March 2018	Year Ended 31 March 2017
	RM	RM	RM	RM	RM
OPERATING RESULTS					
Revenue	114,419,864	20,372,349	15,357,478	30,887,771	5,354,052
Profit/(Loss) before taxation	(313,711,404)	226,032,864	(40,057,372)	43,370,636	2,122,222
Income tax expense	(31,876)	-	6,000	6,000	-
Profit/(Loss) after taxation	(313,743,280)	226,032,864	(40,051,372)	43,364,636	2,122,222
Non-controlling interests	(61,286)	(8,819)	(36,074)	(74,518)	(24,425)
Profit/(Loss) attributable to owners	(313,681,994)	226,041,683	(40,015,298)	43,439,154	2,146,647
KEY BALANCE SHEET DATA					
Property, plant and equipment	29,150,119	3,847,879	4,769,787	3,154,703	6,832,641
Investment in unquoted shares	10,765,692	-	-	-	-
Right of use assets	387,993	9,515,636	-	-	-
Marketable securities	94,440,833	358,067,032	97,767,377	124,468,604	43,740,371
Goodwill	-	-	-	-	-
Current assets	161,400,437	72,056,454	59,781,467	74,690,384	6,239,805
Total Assets	296,145,074	443,487,001	162,318,631	202,313,691	56,812,817
Share capital	325,640,393	119,038,461	96,058,092	81,872,991	56,005,130
Irredeemable convertible preference shares ("ICPS")	7,369,079	27,443,314	43,175,440	53,227,783	-
Reserves	(43,405,434)	235,814,254	9,698,914	50,268,921	(2,996,953)
Total equity attributable to owners	289,604,038	382,296,029	148,932,446	185,369,695	53,008,177
Non-controlling interest	(1,742,400)	(1,681,114)	(1,672,295)	(1,636,221)	(1,561,703)
Total equity	287,861,638	380,614,915	147,260,151	183,733,474	51,446,474
Short term borrowing	-	28,829,530	-	-	3,981,037
Other current liabilities	7,868,462	24,168,719	15,058,480	18,580,217	1,385,306
Lease liabilities	414,974	9,873,837	-	-	-
Total equity and liabilities	296,145,074	443,487,001	162,318,631	202,313,691	56,812,817
FINANCIAL RATIOS					
Net profit margin (%)	(274.20)	1,109.51	(260.79)	140.39	39.64
Basic earnings/(loss) per share (sen)	(13.92)	33.76	(6.72)	9.83	0.22
Net assets per share (sen)	7.34	46.95	24.68	35.25	4.76
Return on equity (%)	(108.31)	59.13	(26.87)	23.43	4.05
Share price as at year/period ended (RM)	0.030	0.030	0.050	0.105	0.055

CHAIRMAN'S LETTER TO SHAREHOLDERS

« Dear Shareholders,

On behalf of the Board of Directors of Fintec Global Berhad ("FINTEC"), I am pleased to present to you the 2021 Annual Report and the Audited Financial Statements of the Group for the financial period ended ("FPE") 30 June 2021.

»

BUSINESS REVIEW

Many businesses and industries have been severely affected by the Covid-19 Pandemic since a year ago. This has some extent affected our business performance. The Group's net assets declined by RM92.7 million to RM289.6 million as at 30 June 2021 from RM382.3 million as at 31 March 2020 mainly due to the fair value loss on marketable securities of RM276.3 million. To remain resilient, the Group embraced the challenges in its business environment by adopting a prudent approach and strategised its business initiatives and investments. We would like to thank all our stakeholders for their continuous support showing their confidence in the Group.

For the FPE 30 June 2021, the Group acquired approximately 135.0 million additional ordinary shares in Focus Dynamics Group Berhad ("Focus") from the open market as it is envisaged that Focus will remain as the investee company with the highest earnings potential in the Group. Further investments in Focus will strengthen the Group's existing investment portfolio which includes Engineering [AT Systematization Berhad ("AT")], Food & Beverage (Focus) and Financial and Information Technology [(DGB Asia Berhad ("DGB Asia"))] and sale and trading of Building Materials and Tiles and Property and Construction (Seacera Group Berhad).

During the financial period under review, the Group disposed its entire shares in Komarkcorp Berhad, Saudee Group Berhad, Vsolar Group Berhad and Mlabs Systems Berhad to avert further losses in the event the stock prices continue to soften in the immediate future. In doing so, we released cash to avail the Group to other business/investments opportunities taking into consideration amongst others, the continuous spike in Covid-19 new cases, current political uncertainties and progressive deterioration in disposal incomes of investors due to business closures, downsizing and layoffs.

Fintec Glove Sdn. Bhd., a wholly-owned subsidiary of FINTEC was incorporated on 28 August 2020 to undertake the business of manufacturing, distributing and trading of personal protective healthcare equipment. This new investment is expected to be one of the catalyst of growth for the Group's future earnings.

CHAIRMAN'S LETTER TO SHAREHOLDERS

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OPERATION AND INVESTMENT REVIEW

For the FPE 30 June 2021, the Group generated a total revenue of RM114.4 million and loss attributable to owners of RM313.7 million.

The Group recorded a surge in revenue by 4.6x from RM20.4 million last financial year to RM114.4 million for the current year mainly from the sale of the quoted securities held by the Group. The Loss Before Tax ("LBT") increased from RM226.0 million last financial year to RM313.7 million, which was mainly due to the marking to market of our medium to long term marketable securities that has resulted in a fair value loss of RM276.3 million as opposed to a fair value gain of RM242.2 million last financial year.

For the individual investment companies' performance, our highest returning investment is Focus. Focus recorded a surge in revenue of 69% to RM66.3 million for the financial year ended ("FYE") 31 December 2020 from RM39.1 million for previous financial year. It also recorded 28.7x increase in Profit Before Tax ("PBT") from RM0.7 million in FYE 31 December 2019 to RM22 million for FYE 31 December 2020. The revenue growth was mainly contributed by the revenue from LAVO, its restaurant and Wine Bar. Focus had accelerated its digital transformation and focused on e-commerce and online delivery by launching e-commerce alcohol, lifestyle, gifting and wine platform which offers diverse wine labels, spirits as well as wine accessories known as LavoWine.com. The future earnings of Focus is expected to improve with the latest and upcoming additions to its F&B brands e-commerce platform LavoWine.com as well as Finch at The Westin Kuala Lumpur. Its partnerships with major F&B players such as Oversea, Brahim's and Saudee, will also augur well for the company.

Following the opening of its glove manufacturing facility on 23 February 2021, AT has targeted an annual turnover of RM846 million from its glove business, an increase of more than 40 times its average annual revenue over the last five years and this new venture in the glove business is targeted to breakeven within one year, contributing estimated profit of RM170 million to the group in the coming financial year.

During the FYE 31 December 2020, DGB Asia Group undertook the following initiatives which will provide the Group sufficient funds for its working capital and enhance its future earnings:

- A Private Placement in August 2020 which raised RM 19.8 million. Part of the proceeds were utilised to procure the first 200 smart vending machines and to enhance the smart vending machine operating systems.
- On 15 June 2020, entered into a joint venture agreement (JVA) with XOX Media Sdn Bhd, a wholly owned subsidiary of XOX Berhad, to form a collaborative partnership to monetise the media platform via the DGB's smart vending machines as an advertising media and content provision business.
- On 9 October 2020, entered into a collaboration agreement with GEM Pay Sdn Bhd, a subsidiary of NetX Holdings Berhad to supply contactless payments terminals and/or cashless e-wallet payment solutions.

INDUSTRY OVERVIEW AND MEDIUM TERM OUTLOOK

The Malaysian economy grew by 16.1% in the second quarter (1Q 2021: -0.5) supported mainly by the improvement in domestic demand and continued robust export performance. The strong economic growth also reflected the low base from the significant decline in activity during the second quarter of 2020. Economic activity picked up at the beginning of the second quarter, but slowed down thereafter, following the re-imposition of stricter containment measures nationwide under Phase 1 of the Full Movement Control Order (FMCO). All economic sectors particularly the manufacturing sector registered an improvement. The growth in expenditure was driven by higher private sector spending and strong trade activity. On a quarter-on-quarter seasonally-adjusted basis, the economy registered a decline of 2.0% (1Q 2021: 2.7%), weighed by the tighter containment measures. (Source: *Economic and Financial Developments in Malaysia in the Second Quarter of 2021*, Bank Negara Malaysia ("BNM")).

As expected, headline inflation increased to 4.1% during the quarter (1Q 2021: 0.5%), mainly due to the base effect from fuel prices, as well as the lapse in the effect from the tiered electricity tariff rebate. Core inflation remained stable at 0.7% during the quarter (1Q 2021: 0.7%). (Source: *Economic and Financial Developments in Malaysia in the Second Quarter of 2021*, BNM).

CHAIRMAN'S LETTER TO SHAREHOLDERS

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The Malaysian economy remains on a recovery path in 2021. The impact will be cushioned by several factors while the resurgence of COVID-19 cases and the re-imposition of nationwide containment measures are expected to weigh on the economic growth. These factors include continued allowances for essential economic sectors to operate, higher adaptability to remote work, as well as increased automation and digitalisation. Economic growth is expected to be further supported by policy measures, which will provide cash flow support, particularly for affected households and businesses. Moving forward, the growth trajectory will depend on the ability to contain the epidemic and materialisation of health outcomes from the nationwide vaccination programme. The positive outcome will allow economic sectors to gradually reopen and provide some lift to household and business sentiments. *(Source: Economic and Financial Developments in Malaysia in the Second Quarter of 2021, BNM).*

Therefore, BNM took into account the latest global economic developments, the implementation of the first phase of the National Recovery Plan ("NRP"), and assumptions on the gradual transitions to the second, third and fourth phases for each state based on the pace of vaccination rollouts, and healthcare system capacities, in projecting the revised economic growth range for the year. Based on these critical factors, the Malaysian economy is projected to expand between 3.0% and 4.0% in 2021. The new growth projections are lower than the previously-announced growth range mainly due to the re-imposition of nationwide containment measures. Nevertheless, the expected re-opening of the economy is expected to support a gradual recovery in the fourth quarter this year, with higher global growth and sustained policy support providing a further lift to economic growth. The recovery is expected to accelerate further in 2022, with the support by a gradual normalisation of economic activities as well as the positive spillovers from continued improvement in external demand. *(Source: Economic and Financial Developments in Malaysia in the Second Quarter of 2021, BNM).*

The continued progress and effectiveness of the national vaccination programme will be a key catalyst for economic reopening and a driver of positive sentiment, which would alleviate the strain on healthcare system capacity and allow for the relaxation of containment measures. In addition, growth is expected to be further supported by the ramp-up in commodity production, some materialisation of pent-up demand, and continued investment in large-scale infrastructure projects following lifting of restrictions. In the near term, headline inflation is projected to moderate as the base effect from fuel prices dissipates. For 2021 as a whole, headline inflation is expected to average between 2.0% and 3.0%. Underlying inflation, as measured by core inflation, is expected to remain subdued, averaging between 0.5% and 1.5% for the year, amid continued spare capacity in the economy. *(Source: Economic and Financial Developments in Malaysia in the Second Quarter of 2021, BNM).*

Nevertheless, despite the implementation of MCO 3.0, the impact and length of which are still uncertain, we will continue to strive our efforts in maintaining our core business in the investment of technology companies with strong growth potential while continue to determine viable new investment initiatives to further develop our investment portfolio and maintain our investment strategy to invest in quoted and unquoted securities that have prospects to generate investment returns.

ACKNOWLEDGEMENT AND APPRECIATION

On behalf of the Board of Directors, I hereby extend my sincere thanks and appreciation to our shareholders for the continued support throughout and during this difficult time. Our thanks and appreciation also go to our business partners and stakeholders, which includes all our investee and incubatee companies, for the hard work and effort amidst trying circumstances. And lastly, but certainly not the least, I would like to extend my gratitude to my colleagues on the Board and to management and staff of the Group, past and present, for their continuous perseverance, hard work and dedication to the welfare and success of the Group.

DIRECTORS' PROFILE

DATO' SERI ABDUL AZIM BIN MOHD ZABIDI

Malaysian, 62 years old

Independent Non-Executive Chairman

Male

Dato' Seri Abdul Azim Bin Mohd Zabidi ("Dato' Seri Azim") is an Independent Non-Executive Director/Chairman of FINTEC appointed on 2 December 2015.

Dato' Seri Azim is a Fellow of the Chartered Institute of Secretaries and Administrators, United Kingdom and holds a Master of Arts in Business Law from London Metropolitan University, United Kingdom. He was Chairman of Bank Simpanan Nasional ("BSN"), Malaysia's National Savings Bank for the period from July 1999 until June 2009.

Growing from his work with BSN, Dato' Seri Azim was also active in the work undertaken by the Brussels based World Savings Banks institute ("WSBI"). In year 2000, he was appointed as President (Asia Pacific) for WSBI and in year 2003, he was elevated to its Board of Directors. In addition, he was elected as Vice President and Treasurer of WSBI from September 2006 until April 2009.

A long association with the unit trusts/mutual funds and fund management industry culminated in his election as President of the Federation of Malaysian Unit Trust Managers, a post held from year 1998 to year 2003. During this period, he was appointed as Member of the Steering Committee of the International Investment Funds Association ("IIFA"), Montreal, Canada, a post held by him until 2008. From year 2007 to year 2008, he was elected as a member of the Board of Directors and Chairman of the Audit Committee of IIFA.

He was also a member of the National Economic Consultative Council II, where he served on the Islamic Banking and Finance Committee. He was also selected by the Securities Commission to be a member of its Capital Market Advisory Council. He was invited by Bursa Malaysia Berhad to be a member of its Index Committee and Deputy Chairman of its Board of Advisors for the Malaysian Central Depository.

His long involvement in sports led to his appointment as Chairman of the National Sports Institute in May 2017 until July 2018 and subsequent to that, appointed as Malaysia's Chef-de-Mission to the Asian Games 2018 in Jakarta, Indonesia. On 5 May 2018, Dato' Seri Azim was elected as Deputy President of the Olympic Council of Malaysia, a position he held until 4 September 2021.

Dato' Seri Azim is also a Director of XOX Berhad and Group, Anzo Holdings Berhad, LYC Healthcare Berhad, Seacera Group Berhad and several private limited companies.

Dato' Seri Azim does not hold any shares in FINTEC. He does not have any family relationship with any Director or major shareholder of the Company and has not been convicted of any offences within the past 5 years and has no conflict of interest with FINTEC.

DIRECTORS' PROFILE

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ONG TEE KEIN

*Malaysian, 64 years old
Independent Non-Executive Director
Male*

Ong Tee Kein ("Mr Ong") is an Independent Non-Executive Director of FINTEC appointed on 26 February 2016. Mr Ong holds a MBA degree from the University of Miami and is an Associate of the Institute of Chartered Secretaries & Administrators (ICSA). He is an Associate of the Institute of Chartered Accountants in England and Wales (ICAEW) and a Fellow of the Chartered Institute of Management Accountants, United Kingdom (CIMA) as well as a member of the Malaysian Institute of Accountants (MIA).

Mr Ong has several years of experience in industry and consultancy practice. After qualifying as an accountant in the United Kingdom, he joined a management consultancy practice specializing in providing advisory services to governments and international funding agencies. From 1994 until 2011, he was a principal consultant in the corporate advisory division of an international accounting firm.

Besides FINTEC, Mr Ong also holds directorships in Sanichi Technology Berhad, DGB Asia Berhad, Mlabs Systems Berhad and Metronic Global Berhad.

Mr Ong does not hold any shares in FINTEC. He is the Chairman of the Audit Committee and a member of the Nomination Committee, Remuneration Committee and Option Committee respectively. He does not have any family relationship with any Director or major shareholder of the Company and has not been convicted of any offences within the past 5 years other than traffic offences and has no conflict of interest with FINTEC.

CHU CHEE PENG

*Malaysian, 50 years old
Senior Independent Non-Executive Director
Male*

Chu Chee Peng ("Mr Chu") is appointed by FINTEC as an Independent Non-Executive Director since 21 August 2015. He graduated from the Coventry University in Business Administration and Post Graduate Diploma from Chartered Institute of Marketing, United Kingdom.

Mr Chu was formerly the Vice President of Agensi Inovasi Malaysia (AIM), a statutory body set up by the Malaysian government, since 2012. Prior to joining AIM, he was heading the Properties Division at a public listed company in Malaysia.

He has extensive experiences in the investment sector, covering activities such as identification of new business opportunities, development and execution of investment that will significantly contribute to the company and Nation's income, development of new funding structure/ecosystem and creation of high value jobs. He is an entrepreneur with an inclination towards innovation and high technology commercial industries.

He is the Chairman of the Remuneration Committee and Nomination Committee, and also a member of the Audit Committee and Option Committee of FINTEC. He does not have any family relationship with any Director or major shareholder of the Company and has not been convicted of any offence within the past 5 years other than traffic offences and has no conflict of interest with FINTEC. He does not hold any shares in FINTEC.

Apart from FINTEC, Mr. Chu also holds directorships in NetX Holdings Berhad and Joe Holding Berhad (f.k.a. GPA Holdings Berhad).

DIRECTORS' PROFILE

cont'd

YM TENGKU AHMAD BADLI SHAH BIN RAJA HUSSIN

Malaysian, 52 years old

Independent Non-Executive Director

Male

YM Tengku Ahmad Badli Shah Bin Raja Hussin ("YM Tengku Badli") is a Non-Independent Non-Executive Director of FINTEC appointed on 7 October 2014, and was subsequently redesignated to Independent Non-Executive Director on 28 September 2020. He graduated with a Bachelor of Law degree (LLB Hons) from University of East Anglia, United Kingdom. He is a Fellow Member of Institute of Corporate Directors Malaysia (ICDM). He also attended Leadership Program at Cornell University in 2012 and Islamic Leadership Development Program at University Of Cambridge, United Kingdom in 2017.

YM Tengku Badli has extensive years of exposure in the financial industry sector. He started his career as a Management Trainee in Hong Kong and Shanghai Banking Corporation, Hong Kong ("HSBC") in 1994 and continued his stint with HSBC Group in various senior positions covering both corporate and commercial as well as retail & consumer banking division. He later pursued his career with Kuwait Finance House (Malaysia) Berhad in February 2008 as Head of Branch Management prior to joining Pelaburan MARA Berhad in September 2013. He is currently the Group Chief Operating Officer of Pelaburan MARA Berhad.

He does not hold any shares in FINTEC. He is also a Director of NetX Holdings Berhad and Dolphin International Berhad. YM Tengku Badli is a member of the Audit Committee, Remuneration Committee and Nomination Committee of FINTEC. He does not have any family relationship with any Director or major shareholder of the Company and has not been convicted of any offences within the past 5 years other than traffic offences and has no conflict of interest with FINTEC.

TAN SIK EEK

Malaysian, 45 years old

Non-Independent Executive Director/Managing Director

Male

Tan Sik Eek is an Executive Director of FINTEC appointed on 20 June 2013. He has been redesignated from Executive Director to Managing Director of the Company with effect from 31 March 2021. He majored in Economics and Political Science from University of Sydney, Australia.

He has more than a decade of experience ranging from corporate finance advisory to private equity investments. He was previously a partner in a private equity firm focused on investing in companies seeking growth funding and pre-IPO capital. Prior to that, he was specialising in securing funding from a series of established North America global opportunity fund, for companies listed on the regional capital markets.

Since 2013, he has been engaged as the Director of a number of public companies to provide management strategy, day to day operational oversight, fund raising and business development planning of the various companies.

He holds six hundred sixty-six thousand six hundred and sixty six (666,666) shares in FINTEC. He is also a Director of DGB Asia Berhad Group, Mlabs Systems Berhad Group, NetX Holdings Berhad Group and XOX Berhad Group. He is the Chairman of the Option Committee of FINTEC. He does not have any family relationship with any Director or major shareholder of the Company and has not been convicted of any offences within the past 5 years other than traffic offences and has no conflict of interest with FINTEC.

KEY SENIOR MANAGEMENT PROFILE

ALVIN LIM YAU ZYONG

Malaysian, 39 years old

Associate Director

Male

Mr. Alvin Lim Yau Zyong, a Malaysian aged 39, is currently an Associate Director of FINTEC since 18 August 2020. He graduated from the Curtin University of Technology, Western Australia with a Bachelor's Degree in Commerce (Double Major in Finance and Marketing) in 2004.

Previously, he was a Group Director for LEJADI Holdings Sdn. Bhd. and a Senior Vice President of LEJADI Solar Sdn. Bhd. since October 2014 and March 2016 respectively. The LEJADI group of companies is principally involved in infrastructure construction, power generation and project management for engineering, procurement, construction and commissioning ("EPCC") contracts. As part of the key management of LEJADI group, Mr. Alvin Lim was tasked to manage, formulate and develop, amongst others, the group's business strategy, annual budget and in-house financial model.

Prior to that, he has been employed in various marketing, customer and relationship management roles over two stints with two major retail banks in Malaysia from 2006 to 2014. As an Assistant Vice President of Affluent Banking in Malayan Banking Berhad, he specialised in, amongst others, segmentation marketing strategies, competitor analysis as well as performance tracking and monitoring. Prior to joining Malayan Banking Berhad, Mr. Alvin Lim was employed with CIMB Bank Berhad where he was exposed to the retail banking industry and garnered branding, strategic marketing and public relations experience.

Mr. Alvin Lim does not hold any shares in FINTEC. He does not have any family relationship with any Director or major shareholder of the company and has not been convicted of any offences within the past 5 years other than traffic offences and has no conflict of interest with FINTEC.

MANAGEMENT DISCUSSION AND ANALYSIS

GROUP BUSINESS OVERVIEW

Fintec Global Berhad (“FINTEC” or “the Company”), as a technology incubator, is primarily an investment holding company which providing management and strategic advisory services, research related activities, business networking and funding for its incubatee companies.

The Company also holds, as part of its investment strategies, strategic stakes in several public listed companies. These are investments that the Company regards as having synergistic value, which can be unlocked through inventiveness, collaboration and cross-selling opportunities.

The investment in the public listed companies can be broken down into several broad areas of focus as follows:

Engineering	AT Systematization Berhad
Food & Beverages	Focus Dynamics Group Berhad
Financial and Information Technology	DGB Asia Berhad NetX Holdings Berhad
Sale and trading of building materials and property development	Seacera Group Berhad

FINTEC also holds several investments in non-listed companies as follows:

- Asiabio Capital Sdn. Bhd. (investing and trading in quoted securities and related activities)
- Eco-Sponge Sdn. Bhd. (trading of absorbent chemical compound and other related services)
- Fintec Global Limited (investing and trading in quoted securities and related activities)
- Fintec Global (HK) Limited (investment holding)
- Fintec North America LLC (sale of nitrile examination gloves)
- Fintec Glove Sdn. Bhd. (manufacturing, distributing and trading of personal protective healthcare equipment)

FINANCIAL REVIEW

Financial Result	FPE 30 June 2021 (1 April 2020 to 30 June 2021)	FYE 31 March 2020
	RM'000	RM'000
Revenue	114,420	20,372
Cost of Sales	(138,891)	(19,791)
Other Operating Income	16,387	242,703
Other Operating Expenses	(277,473)	(4,285)
Operating Expenses	(24,823)	(12,966)
(Loss)/Profit Before Taxation	(313,711)	226,033

Revenue

The Group's revenue is mainly derived from Portfolio Investment segment. This business segment registered a revenue of RM111.8 million (98%) from the Group's total revenue. The total revenue was increased to RM114.4 million due to a higher quantum of quoted securities sold during the financial period. Likewise, the increase in the cost of sales to RM138.9 million is due to a higher quantum of quoted securities sold.

Other Operating Income

The Group recorded a total other operating income of RM16.4 million for the FPE 30 June 2021. This was mainly due to the reversal of impairment loss of RM7.6 million, interest income of RM8.6 million and other income of RM3.0 million.

MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

Other Operating Expenses

The Group registered a fair value loss on marketable securities of RM276.3 million for the FPE 30 June 2021. This was mainly due to the revaluation of our medium to long term investments which are principally investment in marketable securities.

Operating Expenses

The Group incurred a total operating expenses of RM24.8 million for the FPE 30 June 2021. This was mainly due to the share-based payment of RM14.1 million, professional fee of RM4.6 million and depreciation of property, plant and equipment of RM0.6 million.

Loss Before Tax

The Group recorded a loss before tax of RM313.7 million for the FPE 30 June 2021. This was mainly due to the marking to market of our strategic investments that had resulted in a fair value loss on marketable securities of RM292.6 million.

OPERATIONAL REVIEW

As at FPE 30 June 2021, our investment in quoted securities was amounted to RM113.6 million in total. During the financial period under review, the Group's Investment in marketable securities declined by RM271.5 million or 70.5% to RM113.6 million as at 30 June 2021 as compared to RM385.1 million as at 31 March 2020, which was mainly driven by the reduction in value of these investments by approximately RM276.3 million.

Performance by business segment

The Group's present investments cover three business segments that are strategically operated through its subsidiaries and incubatees. The core business segments of the Group comprise of the following:

(a) Technology incubation

The Group's core activities have been to incubate developing technologies and high growth assets. Under this premise, the group's legacy investments have been in the areas of renewable energy & fuels, aggrotech and agriculture waste recycling. These investments are still within the group's portfolio, however, as commercialisation opportunities have proved limited due to market conditions and opportunities, the Group has exercised restraint in additional funding to commercialise these assets pending improvements in market conditions within their respective segments. Nevertheless, Management will continue to monitor developments and will re-activate these investments when opportunity arises.

(b) Portfolio investment

The Group has disposed its entire shares in Mlabs Systems Berhad, Vsolar Group Berhad, Komarkcorp Berhad and Saudee Group Berhad as at to-date, to rebalance our investments portfolio and realign our focus on investments in Food and Beverage ("F&B"), personal protective healthcare equipment, financial and information technology and sale and trading of building materials and property development.

The quoted incubatees within the Group's investment portfolio are involved in business activities as follows:-

- i. **Focus Dynamics Group Berhad ("Focus")** leverages on its existing F&B outlets, namely "Chaze", "LAVO", "Bounce" and "FINCH" to further expand its F&B business including amongst others, opening of additional outlets or launching new F&B brands as well as continues its diversification initiatives by:
 - venturing into pharmaceutical business via a joint venture between its wholly-owned subsidiary, Focus Medicare Sdn. Bhd. and Carelife Center Sdn. Bhd. for trading, supplying, wholesaling and/or manufacturing of medical and healthcare equipment, products and services; and
 - developing a mixed commercial development which will feature retail/F&B lots, event hall, a Chinese restaurant, a seafood restaurant, a karaoke centre and car parks in a 5-storey building with a basement level to be erected on a piece of land next to TREC KL and the Tun Razak Exchange.

MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

- ii. **AT Systematization Berhad (“AT”)** is shifting its focus on its core business in fabrication of industrial & engineering parts as well as sheet metal & automation business by diversifying into glove business. The Group has completed the commissioning of 3 production lines in Chemor Plant during the FYE 31 March 2021. Since then, the Group has further completed additional 3 production lines and is now running 6 glove dipping lines with an annual capacity of 1.16 billion pieces of gloves. Upon completion of additional 4 production lines by early year 2022, the Group will have a total 10 production lines with an annual capacity of 2 billion pieces of medical gloves.
- iii. **DGB Asia Berhad (“DGB Asia”) Group** has embarked on the following initiatives to mitigate the current challenging business and economic conditions:

- **Expansion of logistics business**

The Group had extended its e-commerce logistics venture by launching a new business line of e-fulfilment services offering a complete, seamless and efficient supply chain process to the small and medium e-commerce companies. The Group’s e-fulfilment service was launched to help fill the gap for companies with limited in-house and warehousing capabilities as more consumers are turning to e-commerce businesses. The expansion also increased the number of new small and medium e-commerce companies utilising the Group’s logistics service.

- **Expansion of smart vending machine business**

The Group still continuously deploys smart vending machines at numerous strategic locations all across Klang Valley. Further roll out of the Group’s smart vending machines will also be ramped up as the lockdowns are lifted.

- **Hotel business in Taiwan**

The Group intends to upgrade the Kimpton Da An Hotel to improve the competitiveness and attractiveness of the hotel. It will also enhance and renew the hotel’s image to capitalise on the expected surge in tourist arrivals as vaccination rollouts increase and international travel restrictions are lifted. With the addition of a Japanese restaurant, a private club lounge and a gallery space, the Group aims to attract more customers visiting Kimpton Da An Hotel’s new offerings.

Ping-U, a business unit under DGB Asia’s wholly-owned subsidiary, i.e. DGB Networks Sdn. Bhd. is determined as a new catalyst of growth for the Group. Ping-U is an e-commerce logistics service provider which allows various delivery options from door-to-door, door-to-point or “Ping-U Points”, point-to-point and point-to-door options for the customers’ convenience. Since its establishment in 2019, Ping-U has managed to expand its touch points to 275 “Ping-U Points” ranging from bookstores, convenience stores, pharmacies and various other strategic locations within Klang Valley. Ping-U business has grown during the COVID-19 pandemic as consumers prefer online purchases, a safer means to obtain essential goods to reduce unnecessary physical contact. Ping-U recorded an average of 37.5% monthly growth rate in parcel delivery volume due to the increased e-commerce traffic. The Group anticipates that this last-mile logistics business will continue to grow beyond the COVID-19 pandemic as more users prefer to practice new norms driven by technology, reshaping it to become more agile, lean, and adapting to meet changing consumer demand and expectations.

- iv. **Seacera Group Berhad (“Seacera”)** and its subsidiaries are principally involved in sale and trading of building materials and property development.

MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

- v. **NetX Holdings Berhad (“NetX”) Group** has heavily invested its effort into supporting the GemSpot Biz platform by offering F&B and gifting merchants marketing support in the form of photography, videography, copywriting, digital marketing assets and campaign promotions. In its further revamp, the GemSpot Biz platform has been upgraded, giving merchants the ability to promote their venue listings, manage their assets and be a part of an enhanced support ecosystem that is efficient, cost effective and relatively easy to use.

The Group is currently developing its F&B Celebrations e-Commerce channel with features built into its User Interface/Experience. Designed and developed on the foundation of insights and analytics garnered over the years of operation, this move into event disruption consolidates all the business entities managed under Gem Live to bring users Great Experiences that Matter. The Celebrations platform is slated for a beta test in late early Q4 of 2021, with eyes set on reopening of all economy sectors in 2022 to secure its presence in the market as an event disruptor.

The Group has on 14 December 2020, via Gem Pay Sdn. Bhd. (“Gem Pay”) acquired 60% equity stake in Emicro Capital (M) Sdn. Bhd. (“Emicro”) which is primarily involved in the licensed money lending business. This acquisition allows NetX to venture into the microfinancing of mobile prepaid credit and buy now, pay later strategy to diversify the revenue stream of the Group. Gem Pay is working with Emicro to offer staff loan services to companies.

ANTICIPATED RISK AND MITIGATING FACTORS

The Group is exposed to a number of risks which could impact the Group’s business and operating performance. The Group has implemented the processes to identify, assess and manage these risks. An Enterprise Risk Management Committee (ERMC) meets on quarterly basis and key management work closely with the ERMC to:

- i. identify the risks relevant to the Group;
- ii. design, implement and monitor the risk management framework and
- iii. identify changes to risks or emerging risks, take actions as appropriate and promptly bring these to the attention of the Board.

The Risks that are considered material and specific to the Group are set out below:

Reliance on key relationship with incubatee companies

The incubation activities that the Group undertakes inevitably expose it to a high degree of business risk. This is due to the fact that a number of the Group’s investments are dependent upon the success of the origination and commercialisation of the business ideas of the incubatee companies. This means, the Group will have to grapple with issues such as lack of track record, unexpected changes or delay in the implementation of the business strategies or deliverables and so forth.

As a strategy to mitigate the aforesaid risk, the Group invested largely in listed entities that naturally have superior liquidity, better governance and track record.

Liquidity risks

As the major bulk of our investments are now in quoted securities, the Group is now exposed to uncertainties and fluctuations in the local and global economies that directly affect our capital market. Besides volatility, the Group is also exposed to liquidity risks that are associated with holding sizable stakes in quoted securities.

These risks will be somewhat mitigated with proper portfolio management and planning ahead by our investment division which is tasked to ensure strategies are carried out in accordance to the Group’s investment Policy Mandate parameters.

MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

COVID-19 PANDEMIC RISK

There are uncertainties on impact of the Covid-19 pandemic to economy, societies, businesses and supply chain following recent relaxation of Standard Operating Procedures (“SOPs”) including lifting of interstate and international travel ban. In order to mitigate the risk, the Group adhere strictly to the SOPs and government regulations to ensure the health and safety of our employees, suppliers, customers and business associates amidst the pandemic.

FUTURE OUTLOOK

Global growth is projected to moderate to 3.8 percent in 2022, weighed down by the pandemic’s lasting damage to potential growth. In particular, the impact of the pandemic on investment and human capital is expected to erode growth prospects in emerging market and developing economies (EMDEs) and set back key development goals. The global recovery, which has been dampened in the near term by a resurgence of COVID-19 cases, is expected to strengthen over the forecast horizon as confidence, consumption, and trade gradually improve, supported by ongoing vaccination.

The World Bank expected the global output to remain about 2 percent by 2022, below pre-pandemic projections, and per capita income losses incurred last year will not be fully unwound in about two-thirds of EMDEs. The global outlook will be affected by significant downside risks, which include the possibility of large COVID-19 waves following emergence of the new virus variants and financial stress amid high EMDE debt levels. Controlling and managing the pandemic at the global level especially for low-income countries will require more equitable vaccine distribution. The legacies of the pandemic exacerbate the challenges facing policy makers as they need to balance the need to support the recovery while safeguarding price stability and fiscal sustainability. As the recovery becomes more entrenched, policy makers also need to continue their efforts towards promoting growth-enhancing reforms and steering their economies onto a green, resilient, and inclusive development path. *(Source: World Bank June 2021 Global Economic Prospects)*

The expected re-opening of the economy is expected to support a gradual recovery in the fourth quarter this year, with higher global growth and sustained policy support providing a further lift to economic growth. The recovery is expected to accelerate further in 2022, with the support by a gradual normalisation of economic activities as well as the positive spillovers from continued improvement in external demand. *(Source: Economic and Financial Developments in Malaysia in the Second Quarter of 2021, BNM).*

Despite the challenging economic scene, at FINTEC we adopt a cautious yet prudent approach and continually strategising the business initiatives to reassess market situations. This strategy mitigates downside risks for the Group of having to invest in non-marketable securities, aiming to provide a more levelled rate of return to investors and shareholders. The Group is also emphasising on diversifying its investment in other markets where opportunities for collaboration or cross selling of products and services are made available. With the current strategic partnership, the Company is well positioned to seize bigger opportunities in this financial year.

ACKNOWLEDGEMENT

On behalf of the Management, we would like to extend our appreciation to our Board of Directors for their counsel, as well as to all our stakeholders for their continued support and their loyalty alongside us.

CORPORATE SUSTAINABILITY STATEMENT

INTRODUCTION

The Board of Directors (“Board”) and Management are committed to establish and maintain an effective Sustainability Framework which is supported by underlying internal controls, risk management practices, clear accountability and reporting process. The Board evaluates the Economic, Environmental and Social (“EES”) risks and opportunities relevant to the Group during the formulation of the Group’s overall business strategy, objectives and performance measurements. This Statement has been prepared in accordance with the Sustainability Reporting Guide and Toolkits, issued by Bursa Malaysia Securities Berhad.

SUSTAINABILITY FRAMEWORK

A robust Sustainability Framework is crucial to ensure that we successfully achieve our sustainability commitments. The Board is primarily responsible for the sustainability performance of the Group and leads the initiatives to embed sustainability considerations into the Group’s strategy. The Board has delegated the task of managing sustainability related matters to the Management. As sustainability is a journey, and as the Group moves forward, the Board will, through engagement with the Management, ascertain and develop a formal approach to sustainability so as to provide a more detailed and comprehensive perspective on sustainability initiatives. The Management will also report to the Board on material sustainability matters and status of initiatives deployed via the Audit Committee together with risk management matters.

The Group’s sustainability statement covers the Group’s sustainability efforts and initiatives undertaken within the financial period ended 30 June 2021.

STAKEHOLDER ENGAGEMENT

We, at FINTEC acknowledges the importance of maintaining regular and effective communication with our stakeholders, and through timely engagements, allow us to understand their concerns and expectations. These findings are fundamental to the formulation of our business strategies and play a critical role in achieving sustainable growth.

We have identified our key stakeholders below based on their impact and involvement in our businesses.

Key Stakeholders	Key Concerns	Engagement Platforms
Investors	<ul style="list-style-type: none"> Corporate governance practices Risk management practices Sustainable return and growth 	<ul style="list-style-type: none"> Corporate website Quarterly results announcements Material matters announcements Annual reports Annual general meetings
Employees	<ul style="list-style-type: none"> Effective programmes for skills enhancement Proper highlights on risk, hazards incident Effective discussion on employees’ key concerns Adequate follow up actions on employees’ key concerns 	<ul style="list-style-type: none"> Weekly update meetings Online seminar and training Yearly performance appraisal

CORPORATE SUSTAINABILITY STATEMENT

cont'd

MATERIAL SUSTAINABILITY MATTERS

We have identified and summarised Material Sustainability Matters which have significant impact to the Group's sustainability returns and growth performance:

Material Sustainability Matters	Key Concerns	Engagement Platforms
Environment (Occupational Health and safety)	<ul style="list-style-type: none"> Occupational safety Unsafe act and condition Appropriate use of personal protective equipment 	<ul style="list-style-type: none"> Safety and health bulletins/ memorandums
People	<ul style="list-style-type: none"> Training and personnel development Diversity and equal opportunity Remuneration and benefits 	<ul style="list-style-type: none"> Annual performance appraisal based on the Key Performance Indicators
Profit and growth	<ul style="list-style-type: none"> Operational and financial performance Cash flow and treasury management 	<ul style="list-style-type: none"> Weekly meetings Half yearly internal audits Annual external audit
Corporate Governance (Anti-Bribery and Corruption; Ethics and integrity)	<ul style="list-style-type: none"> Business conduct and ethics Interested related party Internal control Integrity of business dealings 	<ul style="list-style-type: none"> Code of conduct and ethics Internal audit reports directly to Audit Committee Adoption of Anti-Bribery and Corruption Policies and Practices

KEY ELEMENTS OF SUSTAINABILITY

This section provides insights on the Group's sustainability commitments and practices across the three key elements i.e. Economic, Environment and Social undertaken by our key business divisions.

ECONOMIC

Economic scenario remains as our core element based on current global market condition. The Group has taken great level of measures to identify the critical sustainability risks and opportunities which influences the Group's strategy and objectives. By taking indispensable steps with the management and the Board, we foresee to mitigate the risk elements to the acceptable levels based on our risk appetite and leverage on the identified sustainability opportunities towards achieving our business sustainable returns and growth.

(i) Investors

FINTEC continues to nurture a good relationship with our investors and consistently provides sufficient sustainability disclosures and generated economic growth to enable shareholders to prosper with the Company's continuous improved revenue and profits. The new venture of the glove business will provide employment opportunities to the community in Chepor, Perak and business opportunities to the relevant industry players involved in construction of glove manufacturing facility that will enable to spur the economic growth despite the current downturn. Due to the Covid-19 pandemic, only hybrid Annual General Meeting with investors on the Company's performance and prospect were held. The Board continues to implement the identified sustainability initiatives to ensure effective governance processes to drive key investment decisions, working capital and source for new business/investment opportunities.

(ii) Business Ethics and Compliance

Our employees, Management and Directors are emphasised in compliance with all applicable policies, procedures, laws and regulations to achieve the highest standards of integrity and accountability. The Group believes that the essential of a sound practice of corporate governance and ethical business conduct are fundamental keys to sustainable business growth and returns.

CORPORATE SUSTAINABILITY STATEMENT

cont'd

ENVIRONMENT

We promote the responsible use of resources and the importance of environmental protection among our employees. We recognise the potential environmental impacts of our operations and are committed to operate in a manner which minimises the negative impact towards the environment.

As a responsible corporate citizen, we remain steadfast in our commitment to sustainable development and seek to operate in a way that minimises environmental impact. We have the responsibility to protect the environment and continue to manage the environmental footprint of our business operations.

(i) Reduce, Reuse and Recycle (“3R”)

The Group has been adopting the 3R concept in its business operations. Our employees are encouraged to reduce paper usage, recycle any recyclable items and reduce wastages following the growing demand for energy and depleting natural resources. It is our continuous effort to conserve energy by ensuring that lights and air-conditioning are operating only when the need arises. As we acknowledge that the impact of paper usage to the environmental is significant, all of our employees are encouraged to go “paper-less” and printouts shall be done on both sides or done on recycled papers, whenever possible.

(ii) Waste management

The Group also believes that with proper disposal or reuses of wastages is part of its balance activities to ensure the sustainability for its business as well as for the environment. Therefore, the Group is committed to ensure all wastes are appropriately treated and stored or disposed off in compliance with law and regulations and in a proper manner and form.

SOCIAL

(i) Employee Retention, Development and Engagement

a) Employee Welfare

The Group continues to ensure that the reward packages remain competitive to attract, retain and motivate the right talent with the relevant working performance, qualification and experience.

The Group believes that in engaging our employees promote cohesion and strengthen the relationship between peers. We continued our endeavours to bring closer ties among the employees which promote understanding between each other in order to create harmony and peace in workplace. Previously we used to organise get together activities such as birthday celebrations, annual dinner, welcome luncheon for our new hirers, and other activities amongst our employees but unfortunately during the year we were unable to do so due to the outbreak of the Covid-19 pandemic in Malaysia. Under the new norms, we practise online birthday wishes and e-card/ birthday cake delivery to maintain the good relationship between our employees.

b) Training and Development

We aspire to grow with our people and we invest in both their work-related and personal development. In general, we continuously monitor our employees and offer training and upskilling opportunities to their areas of work, positions, talents and interests. We provide both external trainings particularly in technical and management skills. Our established appraisal guidelines also enable us to identify and implement development programmes for our employees.

c) Community Contributions and Development

We believe delivering sustainable growth is a social obligation that not only for the Group, but for the people and the surrounding communities. As a responsible corporate citizen, we continue to carry out our social responsibility programmes (e.g. Christmas celebrations in orphanage centers) in ensuring that people around us be able to grow together with us. We continue to work with our stakeholders from business, operations and communities to face challenges to the best of our abilities.

CORPORATE SUSTAINABILITY STATEMENT

cont'd

SOCIAL cont'd

(i) Employee Retention, Development and Engagement cont'd

c) Community Contributions and Development cont'd

As our business will continue to strive in future, we will continue our effort to be a responsible corporate citizen and will create corporate culture that will inculcate responsible and caring mentality across the Group and to transform corporate giving efforts into strategies for community development and improvement.

d) Workforce Diversity

The Group does not discriminate any of its employees/potential employees in terms of age, gender, physical disability or religion where the evaluation of the suitability of candidates for filling of casual vacancy is solely based in the candidates' competency, character, time commitment, integrity and experience in meeting the needs of the Company.

(ii) Occupational Health and Safety

We believe that providing employees with a safe and healthy working environment is essential for ensuring long term business sustainability. We have complied the best of our ability to adhere to the existing standards, laws and regulations which relevant to the operation. The Group is continuously making improvements to our safety-related efforts to achieve an injury-free and safe workplace.

Our Response to Covid-19

The rapid outbreak of Covid-19 pandemic had disrupted businesses worldwide. In response to Covid-19 pandemic, we had undertaken various preventive measures in accordance with the guidelines and Standard Operating Procedures which are mandated by our government.

The below stated the precautionary measures which have been introduced to mitigate the potential risk of exposure to Covid-19 and to provide a healthy and safe workplace:

- a) Establishment of dedicated SOP for Covid-19;
- b) Work from Home Schedules prior to the implementation of MCO 3.0;
- c) Daily screening of body temperature prior to entrance;
- d) Distribution of face mask to all employees;
- e) Provision of hand sanitisers to all departments; and
- f) Social distancing of 1 meter distance.



CONCLUSION

We acknowledge that there are still areas for improvement with respect to our sustainability initiatives and targets. This year has been very challenging to all businesses and corporations following emergence of the Covid-19 Pandemic. We continue to achieve our goal of building a sustainable business for the future while establishing our strategies to mitigate and recover from the effects of the pandemic. We will continue to keep abreast with developments in our operating environment, actively engage our stakeholders and build on our foundation to further promote sustainable practices/initiatives within our organisation.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“Board”) of Fintec Global Berhad (the “Company” or “FINTEC”) remains committed in maintaining the highest standards of corporate governance (“CG”) within the Company and adhering to the principles and best practices of CG, through observing and practising the core values of the new Malaysian Code on Corporate Governance 2017 (“MCCG”) which was released by the Securities Commission on 26 April 2017 and the Corporate Governance Guide issued by Bursa Malaysia Securities Berhad (“Bursa Securities”). The commitment from the top paves the way for Management and all employees to ensure the Company’s businesses and affairs are effectively managed in the best interest of all stakeholders.

The Board is pleased to present an overview on the application of the principles as set out in the MCCG 2017 and the extent to which the Company and the subsidiaries (“Group”) have complied with the three (3) key principles and practices of the MCCG 2017 during the financial period under review.

This statement should be read together with the 2021 CG Report of the Company which is available on the Company’s website at <http://www.fintec.global/>.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS

Part I – Board Responsibilities

1. Board’s Leadership on Objectives and Goals

1.1 Strategic Aims, Values and Standards

The Board is responsible for the overall performance of the Group and focuses mainly on the strategic management, performance monitoring and measurement, risk management and internal controls, standards of conduct, shareholder communication and critical business decisions. The matters reserved for the collective decision of the Board are listed in Appendix A of the Board Charter which is available on the corporate website.

The Board implements a strategy planning process to oversee the matters delegated to Management and ensure the goals and targets are in line with the Company’s strategic plan and long-term objectives.

The key responsibilities of the Board include reviewing and adopting the strategic plan, overseeing the conduct of business, risk management, succession planning, overseeing the development and implementation of a shareholder communication policy and reviewing the internal control systems.

The Board delegates and confers some of the Board’s authorities and discretion on the Executive/Managing Director as well as on properly constituted Committees comprising Non-Executive Directors which operate within clearly defined terms and reference.

The Board Committees consist of Audit Committee (“AC”), Nomination Committee (“NC”), Remuneration Committee (“RC”) and the Option Committee (“OC”). The power delegated to the Board Committees are set out in the Terms of Reference of each of the committees which is available on the corporate website.

Overall, it is the governance responsibilities of the Board to lead and control the Group. The Board plans the strategic direction, development and control of the Group and has embraced the responsibilities listed in the MCCG to discharge its stewardship and fiduciary responsibilities. The Executive/Managing Director is responsible for making and implementing operational and corporate decisions while the Non-Executive Directors balance the board accountability by providing their independent views, advice and judgment in safeguarding the interests of the shareholders.

1.2 Chairman

The Chairman of the Company leads the Board with a keen focus on governance and compliance and acts as a facilitator at Board meetings to ensure that contributions by Directors are forthcoming on matters being deliberated and that no Board member dominates discussion. Together with the other Non-Executive and Independent Directors, he leads the discussion on the strategies and policies recommended by Management. He chairs the meetings of the Board and the shareholders, and thus ensuring effective communication with the shareholders as well as the relevant stakeholders.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

Part I – Board Responsibilities *cont'd*

1. Board's Leadership on Objectives and Goals *cont'd*

1.3 Separation of the Positions of the Chairman and Executive Directors

The Chairman of the Company is an Independent Non-Executive Director. There is a clear division of responsibilities between the Chairman and the Executive/Managing Director to ensure that there is a continuance balance of power and authority. The Chairman of the Board is Dato' Seri Abdul Azim Bin Mohd Zabidi, whilst the Executive/Managing Director during the financial period under review is Mr Tan Sik Eek, who has the overall responsibilities over the Group's operating units, organisational effectiveness and implementation of Board policies and decisions.

The Chairman is primarily responsible for matters pertaining to the Board and the overall conduct of the Group and is committed to good corporate governance practices and has been leading the Board towards high performing culture.

All decisions of the Board are made unanimously or by consensus. To ensure balance of power and authority on the Board, more than half of the Board members are Independent Directors. The Board is satisfied and assured that no individual or group of Directors has unfettered powers of decision that could create a potential conflict of interest.

1.4 Qualified and Competent Secretaries

In performing their duties, all Directors have access to advice and services of Company Secretaries. The Company Secretary acts as a CG counsel and ensures good information flow within the Board, the Board Committees and Management. The Company Secretary attends all meetings of the Board and Board Committees whenever necessary and guides the Directors on the requirements encapsulated in the Company's Constitution and legislative promulgations such as the Companies Act 2016, ACE Market Listing Requirements ("ACE LR") of Bursa Securities, etc.

1.5 Access to Information and Advice

All Directors have access to the advice and services of the Company Secretaries as well as to all information within the Group. In addition, the Board may seek independent professional advice at the Company's expenses to enable it to discharge its duties in relation to the matters being deliberated, where necessary.

Schedule of Board and Committee meetings are determined in advance at the beginning of every year. This enables Management to plan ahead the yearly business and corporate affairs and ensure timely preparation of information for dissemination to the Board. The Board has a defined schedule of matters reserved for Board's decision and that the Board papers for meetings will be circulated to the Board at least five (5) days prior to the meeting. This is to ensure all Directors have sufficient time to obtain further explanation, where necessary, in order to be fully informed of the matters to be discussed during the meeting.

The Company Secretary is entrusted to record the Board's deliberations, in terms of issues discussed, ensures that the deliberations at Board and Board Committee meetings are well documented, and subsequently communicated to Management for appropriate actions. The minutes of the previous Board and Board Committee meetings are distributed to the Directors/Committee prior to the meeting for their perusal before confirmation of the minutes at the commencement of the following Board/Committees' meeting. The Directors may comment or request clarification before the minutes are tabled for confirmation as a correct record of the proceedings of the meeting. Management provides Directors with complete and time information prior to meetings and on-going basis to enable them to make informed decisions.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

Part I – Board Responsibilities *cont'd*

2. Demarcation of Responsibilities

2.1 Board Charter

The Board Charter is reviewed regularly to ensure that it complies with the best practices and regulations and the Board Charter was last reviewed and revised on 25 March 2021.

In discharging its duties, the Board is constantly mindful of the need to safeguard the interests of the Group's stakeholders. In order to facilitate the effective discharge of its duties, the Board is guided by the Board Charter, a copy of which is available on the corporate website.

The Board Charter serves to ensure that all Board members acting on behalf of the Group are aware of their expanding roles and responsibilities. It sets out the strategic intents and specific responsibilities to be discharged by the Board members collectively and individually. It also regulates on how the Board conducts business in accordance with sound CG principles.

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

3. Promoting Good Business Conduct and Corporate Structure

3.1 Code of Conduct and Ethics

The Board is committed in maintaining a corporate culture which engenders ethical conduct. The ethical standards are formalised through the Company's Code of Conduct and Ethics, which requires all Directors and Employees to observe high ethical business standards, honesty and integrity and to apply these values to all aspects of the Group's business and professional practice and act in good faith in the best interests of the Group and its shareholders. The Code of Conduct and Ethics has been incorporated into Appendix B of the Board Charter and is available on the corporate website.

3.2 Whistle Blowing Policy

The Board has adopted a whistleblowing policy for the Group as a measure to promote the highest standard of CG. The whistleblowing policy outlines the avenues for Directors, employees and stakeholders to raise concerns or disclose in good faith any improper conduct within the Group and to enable prompt corrective actions and measures to resolve them effectively.

Any employee who has reasonable belief that there is serious malpractice relating to the matter disclosed, may direct such complaint and report to the Chairman of the AC in writing. Individuals are able to raise concerns about illegal, unethical or questionable practices in confidence and without the risk of reprisal and Management will ensure that any employee of the Company who raises a genuine complaint in good faith shall not be penalised for such disclosure and the identity of such complainant shall be kept confidential.

The Whistle Blowing Policy and Guidelines has been incorporated into the Board Charter and is available on the corporate website.

3.3 Anti-Bribery and Anti-Corruption Policy ("ABAC Policy")

In line with the amendments to the Malaysian Anti-Corruption Commission Act 2009 to incorporate a new Section 17A on corporate liability for corruption which took effect on 1 June 2020, the Company had on 29 May 2020, adopted an ABAC Policy.

The Company had also conducted briefings and trainings to all employees of the Group to create awareness on the ABAC Policy to foster commitment of the employees to instill the spirit of integrity and avoid all forms of corruption practices within the organisation.

A copy of the ABAC Policy is available on the corporate website.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

Part II – Board Composition

4. Strengthen Board's Objectivity

4.1 Board Composition

The Board comprises one (1) Independent Non-Executive Chairman, three (3) Independent Non-Executive Directors, and one (1) Executive/Managing Director.

The present composition of the Board is in compliance with Rule 15.02 of the ACE LR and MCGG as four (4) out of the five (5) members are Independent Directors.

4.2 Tenure of Independent Director

No independent Directors have exceeded a cumulative term of nine (9) years.

4.3 Policy of Independent Director's Tenure

The Board has adopted a nine-year policy for Independent Directors. An Independent Director may continue to serve on the Board subject to the Director's re-designation as a Non-Independent Director. Otherwise, the Board must justify and seek shareholders' approval at the Annual General Meeting ("AGM") in the event it retains the director as an Independent Director. If the Board continues to retain the Independent Director after twelve (12) years, the Board would seek shareholders' approval through a two-tier voting process.

4.4 Diverse Board and Senior Management Team

The Board acknowledges the importance of diverse Board and Senior Management. The Group strictly adhered to the practice of non-discrimination of any form, whether based on race, age, religion and gender throughout the organisation, which including the selection of Board members. The Board encourages a dynamic and diverse composition by nurturing suitable and potential candidates equipped with competency, skills, experience, character, time commitment, integrity and other qualities in meeting the future needs of the Company.

The Group will endeavor to meet the diversity at the Senior Management level and when the need arises, the Board will consider appointment of female to the senior management.

4.5 Gender Diversity

The Board acknowledges the importance of boardroom diversity and takes cognisance of the recommendation of the MCGG to have female directors. The Board had established a Boardroom Diversity Policy as set out in the Board Charter of the Company, which is available on the corporate website.

However, the Board has yet to implement gender diversity policies and targets, or has any immediate plans to implement such policies and targets as the Board is of the view that gender should not be a basis of evaluation and that candidate should be sought after based on their level of experience and skill set as well as other qualities as stated above.

Nevertheless, in the event of a vacancy in the Board, the Board, through the NC has been tasked to consider the female representation when a vacancy arises and/or suitable candidates are identified. However, the appointment of a new Board member will not be guided solely by gender but will also take into account the skills-set, experience and knowledge of the candidate. The Company's prime responsibility in new appointments is always to select the best candidates available.

Hence, the normal selection criteria based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board remains a priority.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

Part II – Board Composition *cont'd*

4. Strengthen Board's Objectivity *cont'd*

4.6 Identification of New Candidates for Appointment of Directors

The Board has entrusted the NC with the responsibility to consider, review and recommend the appointment of potential candidates to the Board proposed by Management or any Director, shareholder taking into consideration the candidates' skills, knowledge, expertise and experience, time commitment, character, professionalism and integrity based on the 'Fit and Proper' Standards/Criteria for Directors and Senior Management staff.

The Board is aware of the guidance to utilise independent sources for future appointments of Non-Executive Director, and to disclose how a Board member is sourced in the Annual Report.

4.7 NC

The NC, which is chaired by the Senior Independent Non-Executive Director, is responsible for identifying and recommending suitable candidates for Board membership and also for assessing the performance of the Directors on an ongoing basis. The Board will have the ultimate responsibility and final decision on the appointment. This process shall ensure that the Board membership accurately reflects the long-term strategic direction and needs of the Company and determine skills matrix to support strategic direction and needs of the Company.

Management shall engage broadly to develop a pool of interested potential candidates meeting the skills, expertise, personal qualities and diversity requirements for both the Board and the Committee appointments.

The NC evaluates and matches the criteria of the candidate, and will consider diversity, including gender, where appropriate, and recommends to the Board for appointment.

Consideration will be given to those individuals possessing the identified skills, talent and experience.

The NC will contact those persons identified to determine interest in serving the Company. This communication will ensure that prospective Board members have clarity regarding the nominating process as well as Director/Board profiles, roles and responsibilities, expectations of time commitments and other information as required.

For any nomination by the shareholders, the NC would also perform the same review process. However, if there is requisition for convening of meeting by the shareholders to move a resolution on the appointment of Director pursuant to the Companies Act, 2016, the NC would carry out its duties whenever possible.

The NC comprises exclusively Independent Non-Executive Directors as follows:-

- Chu Chee Peng (Senior Independent Non-Executive Director) – Chairman
- Ong Tee Kein (Independent Non-Executive Director) – Member
- YM Tengku Ahmad Badli Shah Bin Raja Hussin (Independent Non-Executive Director) – Member

The Terms of Reference of the NC is available on the corporate website.

A summary of key activities undertaken by the NC in discharging its duties during the financial year under review is set out below:

- Reviewed and assessed annual assessment of the performance and effectiveness of the Board as a whole, the committees of the Board and contribution of each individual director;
- Reviewed and assessed the independence of the Independent Non-Executive Directors;
- Reviewed and recommended to the Board, the re-election and re-appointment of the Directors who will be retiring at the forthcoming AGM of the Company;
- Reviewed and assessed the term of office and performance of the AC;
- Assessed the level of financial literacy of AC Members.
- Reviewed and recommended the types of trainings suitable for the Board; and
- Reviewed the Terms of Reference of the NC to ensure its relevance to the NC and recommended to the Board for approval.
- Reviewed the Board/Board Committees' composition and current board size of the Company.
- Reviewed and nominated directors to act as additional directors in the subsidiaries of the Company.
- Reviewed and recommended to redesignate YM Tengku Ahmad Badli Shah Bin Raja Hussin from Non-Independent Non-Executive Director to Independent Non-Executive Director.
- Reviewed and recommended to redesignate the Executive Director of the Company to Managing Director.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

Part II – Board Composition *cont'd*

5. Overall Board Effectiveness

5.1 Annual Evaluation

The Board undertakes annual evaluation to determine the effectiveness of the Board. The Board evaluation comprises a Board Assessment, Board Committees' Assessment, an Individual Assessment and an Assessment of Independence of Independent Directors and the financial literacy test of the AC Members.

The assessment of the Board is based on specific criteria, covering areas such as the Board structure, Board operations, roles and responsibilities of the Board, the Board Committees and the Chairman's role and responsibilities.

The results of the assessment would form the basis of the NC's recommendation to the Board for the re-election of Directors at the next AGM.

Based on the annual assessment conducted, the NC was satisfied with the existing Board composition and concluded that each Directors has the requisite competence, skills, time commitment and experience to serve on the Board and has sufficiently demonstrated their commitment to the Company in terms of time and participation during the year under review, and recommended to the Board the re-election of retiring Directors at the Company's forthcoming AGM. All assessments and evaluations carried by the NC in discharge of its functions were properly documented.

The attendance record of the Directors at Board of Directors and Board Committee meetings during the financial period ended 30 June 2021 is set out as follows:-

Meeting Attendance	Board	AC	NC	RC	AGM	EGM	*OC
Dato' Seri Abdul Azim Bin Mohd Zabidi	5/5	-	-	-	1/1	2/2	N/A
YM Tengku Ahmad Badli Shah Bin Raja Hussin	5/5	5/5	4/4	4/4	1/1	2/2	N/A
Ong Tee Kein	5/5	5/5	4/4	4/4	1/1	2/2	13/16
Chu Chee Peng	5/5	5/5	4/4	4/4	1/1	2/2	13/16
Tan Sik Eek	5/5	-	-	-	1/1	2/2	16/16
Leung Kok Keong (resigned on 17 June 2020)	N/A	N/A	N/A	N/A	N/A	N/A	3/16

Note: *Option Committee

To ensure that the Directors have the time to focus and fulfil their roles and responsibilities effectively, the Directors must not hold more than five (5) directorships in public listed companies and shall notify the Chairman before accepting any new directorships.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

Part II – Board Composition *cont'd*

5. Overall Board Effectiveness *cont'd*

5.1 Annual Evaluation *cont'd*

During the financial period ended 30 June 2021, all the Directors have attended trainings, seminars, conferences and exhibitions which they considered vital in keeping abreast of the changes in laws and regulation, business environment, and corporate government development, as detailed hereunder:-

Name of Director	Course Attended	Date
Dato' Seri Abdul Azim Bin Mohd Zabidi	(1) Roundtable on the Rukunegara	1 September 2020
	(2) Managing Your Fraud Risk: Are We Doing Enough?	1 December 2020
	(3) Introduction to Anti-Money Laundering, Anti-Terrorism Financing. Proceed of Unlawful Activity Act 2001	25 March 2021
	(4) Asian Economies on Track as Covid Crisis Slows Down	8 April 2021
YM Tengku Ahmad Badli Shah Bin Raja Hussin	(1) Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001	31 December 2020
	(2) Briefing on Directors and Officers Liability Insurance	31 December 2020
	(3) Introduction to Anti-Money Laundering, Anti-Terrorism Financing. Proceed of Unlawful Activity Act 2001	25 March 2021
Ong Tee Kein	(1) Webinar Series: Preference Shares – New Redemption Methods	12 November 2020
	(2) MIA Webinar Series: Audit Quality Enhancement Programme for SMPs	30 November 2020 – 1 December 2020
	(3) Case Study-Based MFRS Webinar: Considerations for Preparation of Financial Statements under COVID-19 Situations	21 December 2020
Chu Chee Peng	(1) The Key to Your Asset Protection and Multiplication During/Post-Pandemic	8 August 2020
	(2) Hyperconnected 5G Smart City	13 August 2020
	(3) Introduction to Anti-Money Laundering, Anti-Terrorism Financing. Proceed of Unlawful Activity Act 2001	25 March 2021
Tan Sik Eek	(1) WIFE – SIDC Powertalk Webinar 2020 Moving Forward: Banking & Capital Market Trends	8 December 2020
	(2) Introduction to Anti-Money Laundering, Anti-Terrorism Financing. Proceed of Unlawful Activity Act 2001	25 March 2021

The Company will continue to identify suitable training for the Directors to equip and update themselves with the necessary knowledge in discharging their duties and responsibilities as Directors.

The Directors are encouraged to attend briefing, conferences, forums, trade fairs (locally and internationally), seminars and training to keep abreast with the latest developments in the industry and to enhance their skills and knowledge.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

Part III - Remuneration

6. Level and Composition of Remuneration

6.1 Remuneration Policy

The RC and the Board ensure that the Company's remuneration policy remains supportive of the Company's corporate objectives and is aligned with the interest of shareholders, and further that the remuneration packages of Directors and key Senior Management Officers are sufficiently attractive to attract and to retain persons of high calibre. The remuneration policy is set out in the Board Charter of the Company and it is also available on the corporate website.

Mr Chu Chee Peng, the Senior Independent Non-Executive Director, is the Chairman of the RC, which comprises exclusively of Independent Directors. The RC is guided by its terms of reference, which is available on the corporate website.

7. Remuneration of Directors and Senior Management

7.1 Detailed Disclosure of Directors' Remuneration

The RC reviews annually the Directors' Fees and Directors' Remuneration (including non-executive director) for recommendation and approval by the Board. The Directors' remuneration payable to the Non-Executive Director and the directors of the subsidiaries will be tabled at the AGM for the approval of shareholders.

The Remuneration of the Executive/Managing Director is structured to link to his contributions for the year, which are dependent on the financial performance of the Group, achievement of the goals and/or quantified organisational targets as well as strategic initiatives set at the beginning of each year.

The Directors plays no part in determining his own remuneration and shall abstain from discussion on their own remuneration.

The Executive/Managing Director is not entitled to the Director's fee. The remuneration package of the Executive/Managing Director consists of monthly salary, bonus and benefits-in-kind such as company car and the benefit of Directors and Officers Liability Insurance in respect of any liabilities arising from acts committed in their capacity as Directors and Officers of the Company. The Directors and principal officers are required to contribute jointly towards the premium of the said policy.

Details of the Directors' remuneration (including benefits-in-kind) during the financial period ended 30 June 2021 are as follows:

i) Aggregate Directors' Remuneration

Categories of Remuneration	Group		Company	
	Executive/ Managing Directors	Non-Executive Directors	Executive/ Managing Directors	Non-Executive Directors
	RM	RM	RM	RM
Director Fees	375,130	393,034	-	306,034
Salaries & bonus	1,053,000	-	627,000	-
Other emoluments	121,866	28,000	76,702	28,000
Total	1,549,996	421,034	703,702	334,034

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

Part III - Remuneration *cont'd*

7. Remuneration of Directors and Senior Management *cont'd*

7.1 Detailed Disclosure of Directors' Remuneration *cont'd*

ii) Analysis of Directors' Remuneration

Total remuneration of Directors in respect of the financial period ended 30 June 2021, in bands of RM50,000 is tabulated below:

Range of Remuneration (RM)	Group		Company	
	Executive/ Managing Directors	Non-Executive Directors	Executive/ Managing Directors	Non-Executive Directors
Below 50,000	-	1	-	1
50,001 - 100,000	-	-	-	-
100,001 - 150,000	1	3	1	3
150,001 - 200,000	2	-	1	-

The Directors do receive additional remuneration for services rendered in the subsidiaries (apart from that received at the Company's level).

Details of the individual Director's remuneration are not disclosed in this report as the Board is of the view that the above remuneration disclosure by bands and analysis between Executive and Non-Executive Directors satisfies the accountability and transparency aspects of the MCCG.

7.2 Remuneration of Top Five (5) Senior Management

The Company understands the need for transparency in the disclosure of its key senior management remuneration, and is of the opinion that the disclosure of remuneration details may be detrimental to its business interests, given the competitive landscape for key personnel with the requisite knowledge, technical expertise and working experience in the Company's business activities, where intense headhunting is a common industry challenge. Accordingly, such disclosure of specific remuneration information may give rise to recruitment and talent retention issues.

PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT

Part I - AC

8. AC

The AC is relied upon by the Board to, amongst others, provides advice in the areas of financial reporting, external audit, internal control environment and internal audit process, review of related party transactions as well as conflict of interest situation. The AC also undertakes to provide oversight on the risk management framework of the Group.

The AC is chaired by an Independent Non-Executive Director who is distinct from the Chairman of the Board and all members of the AC are financially literate. The composition of the AC, including its roles and responsibilities as well as a summary of its activities carried out during the financial year, are set out in the AC Report on page 38 of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT *cont'd*

Part I – AC *cont'd*

8. AC *cont'd*

The AC has adopted a policy that requires a former key audit partner to observe a cooling-off period of at least two (2) years before being appointed as a member of the AC, and the said policy has been incorporated in the terms of reference of the AC, a copy which is available on the corporate website. The Company take cognizance that the latest Malaysian Code on Corporate Governance effective from 28 April 2021 (“MCCG 2021”) has changed and recommended to observe a cooling-off period of at least 3 years before appointing a former key audit partner as a member of the AC. To this, the Company would review its terms of reference and make the relevant changes to align with the MCCG 2021 in due course.

Nevertheless, no former key audit partner of the external auditors of the Company is appointed as a Company Director and a member of the AC.

The AC maintains a transparent and professional relationship with the external auditors of the Company. The external auditors fill an essential role by enhancing the reliability of the Company’s Annual Audited Financial Statements and giving assurance to stakeholders of the reliability of the Annual Audited Financial Statements. The external auditors have an obligation to bring any significant defects in the Company’s system of control and compliance to the attention of the Management; and if necessary, to the AC and the Board.

The AC is empowered by the Board to review any matters concerning the appointment and re-appointment, resignation or dismissal of external auditors and review and evaluate factors relating to the independence of the external auditors. The terms of engagement for services provided by the external auditors are reviewed by the AC prior to submission to the Board for approval. Feedback based on the assessment areas is obtained from the AC, the Executive/Managing Director, the internal auditor and senior management, wherever applicable.

In addition, the AC undertakes an annual assessment of the suitability and independence of the external auditors as well as the performance of the external auditors, including the review of calibre of the audit firm, quality of processes, audit team, independence and objectivity, audit scope and planning, audit fees and audit communications. Further, the Board, through the recommendation of the NC, had evaluated the effectiveness of the AC and members of the AC in June 2021.

On the other hand, the AC has also sought written assurance from the external auditors, confirming that they are, and have been, independent throughout the conduct of the audit engagement with the Company in accordance with the independence criteria set out by the Malaysian Institute of Accountants. The external auditors provided such declaration in their annual audit plan presented to the AC prior to the commencement of audit for a particular financial year.

In this regard, the AC had on 25 March 2021, assessed the independence of ChengCo PLT [201806002622 (LLP0017004-LCA) & AF0886] [“ChengCo”] as external auditors of the Company as well as reviewed the level of non-audit services to be rendered by ChengCo to the Company for the financial period ended 30 June 2021. The AC was satisfied with ChengCo’s technical competency and audit independence and took note that the quantum of non-audit fee charged thereto was not material as compared to the total audit fees paid or to be payable to ChengCo. Details of statutory audit, audit-related and non-audit fees paid/payable in the financial period ended 30 June 2021 to the external auditors are set out in the Other Compliance Information of this Annual Report. Having satisfied itself with their performance and fulfilment of criteria as set out in the Non-Audit Services Policy as well as received the assurance from ChengCo as stated above, the AC will recommend their re-appointment to the Board, upon which the shareholders’ approval will be sought at the 14th AGM.

Part II – Risk Management and Internal Control Framework

9. Risk Management and Internal Control Framework

The Board oversees, reviews and monitors the operation, adequacy and effectiveness of the Group’s system of internal controls. The Board defines the level of risk appetite, approves and oversees the operation of the Group’s Risk Management Framework, and assesses its effectiveness and reviews any major/significant risk facing the Group. The risk framework also includes pertinent risk management policies and guidelines to provide structured guidance to personnel across the Group in addressing risk management. The risk appetite of the Group is articulated via the use of risk parameters in the framework, covering financial and non-financial metrics, to assess the likelihood or risks occurring and the impact thereof should the risks crystallise.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT *cont'd*

Part II – Risk Management and Internal Control Framework *cont'd*

9. Risk Management and Internal Control Framework *cont'd*

The AC oversees the risk management framework of the Group, reviews the risk assessment and management policies formulated by Management regularly together with the Internal Auditors and makes relevant recommendations to Management to update the Group Risk Profile. The AC also discusses with the Board on areas of high risk faced by the Group and the adequacy of compliance and control throughout the organisation, and makes relevant recommendations to the Board to manage residual risks.

The Board has been integrating the risk issues into their decision-making process whilst maintaining the flexibility to lead the business of the Group through the ever-changing internal and external environments.

The Company continues to maintain and review its internal control procedures to ensure the protection of its assets and its shareholders' investment.

Details of the main features of the Company's risk management and internal controls framework are further elaborated in the AC Report and the Statement on Risk Management and Internal Control on pages 39, 40 and 41 of this Annual Report.

10. Governance, Risk Management and Internal Control Framework

The Board has outsourced the internal audit ("IA") function to an independent assurance provider, namely Wensen Consulting Asia (M) Sdn. Bhd. to provide an independent appraisal over the system of internal control of the Group and reports directly to the AC. The responsibilities of the Internal Auditors include providing independent and objective reports on the state of internal controls and the significant operating units in the Group to the AC, with recommendations for improvement to the control procedures, so that remedial actions can be taken in relation to weaknesses noted in the systems. The engaging partner and team are free from any relationships or conflict of interests with the Company, to ensure the Internal Auditors' objectivity and independence are not impaired.

During the financial period under review, the internal auditors have conducted review on the Group in accordance to the Internal Audit Plans, which have been approved by the AC.

The Internal Auditors will perform periodic testing of the internal control systems to ensure that the system is robust.

The Statement on Risk Management and Internal Control as included on pages 40 and 41 of this Annual Report provides the overview of the internal control framework adopted by the Company during the financial period ended 30 June 2021.

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

Part I – Communication with Stakeholders

11. Continuous Communication Between Company and Stakeholders

The Group recognises the importance of prompt and timely dissemination of information to the shareholders and the investors, in order for these stakeholders to be able to make informed investment decisions. Towards this, the Company's website at <http://www.fintec.global/> incorporates a corporate section which provides all relevant information on the Company and is accessible by the public. This corporate section enhances the investor relations function by including all announcements made, annual reports as well as the corporate and governance structure of the Company.

The Company has put in place a Corporate Disclosure Policy with the objective to ensure communications to the public are timely, factual, accurate, complete, broadly disseminated and where necessary, filed with regulators in accordance with applicable laws. The Executive/Managing Director is the spokesperson of the Company on all matters relating to the Company to ensure compliance with the disclosure obligations as well as overseeing and co-ordinating disclosure of information. The Board delegated the authority to the Executive/Managing Director of the Company to ensure that Corporate Disclosure Policy is being adhered to by senior Management and the Company Secretaries in respect to disclosure obligations. The Executive/Managing Director is also given the authority to approve all announcements.

In addition, the Directors engage with shareholders at least once a year during the AGM to understand their needs and seek their feedback.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE C : INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS *cont'd*

Part II – Conduct of General Meetings

12. Shareholder Participation at General Meetings

The AGM is the principal forum for shareholder dialogue, allows shareholders to review the Group's performance via the Company's Annual Report and pose questions to the Board for clarification.

The Board encourages the attendance of the shareholders at the Company's AGM. The notice period of the forthcoming 14th AGM given to the shareholders is 28 days in advance, which is in compliance with the minimum of 21 clear days. The shareholders are thus provided with ample time to review the annual report, to appoint proxies and to collate questions to be asked at the AGM.

All the Directors shall endeavour to present in person to engage directly with, and be accountable to the shareholders for their stewardship of the Company the AGM. The proceedings of the AGM will include the presentation of the external auditors' unqualified report to the shareholders, and a Q&A session during which the Chairman will invite shareholders to raise questions pertaining to the Company's financial statements and other items for adoption at the meeting, before putting a resolution to vote. The Directors and the external auditors will be in attendance to respond to the shareholders' queries.

In addition, to encourage greater shareholders' participation at the general meetings, the Company have explored to leverage on technology to facilitate hybrid or full virtual general meetings and remote shareholders' participation at general meetings. During the financial period under review, the general meetings of the Company were held either by way of hybrid meetings or fully virtual meeting basis with remote shareholders' participation and voting.

This CG Overview Statement was approved by the Board on 21 October 2021.

OTHER COMPLIANCE INFORMATION

A. AUDIT AND NON-AUDIT FEES

The audit and non-audit fees paid or payable to the external auditors for the financial period ended 30 June 2021 is as follows:-

Details of fees	Group (RM)	Company (RM)
- Statutory Audit Fees	145,766	31,500
- Non-Audit Fee for review of Statement of Risk Management and Internal Control	5,000	-
Total	150,766	31,500

B. MATERIAL CONTRACTS

During the financial period ended 30 June 2021, there was no material contract entered into by the Company and its subsidiaries involving Directors and major shareholders' interests which was still subsisting at the end of the financial period or since the end of the previous financial year.

C. RECURRENT RELATED PARTY TRANSACTIONS

During the financial period ended 30 June 2021, the Company did not enter into any recurrent related party transactions of revenue or trading nature.

D. UTILISATION OF PROCEEDS

(i) Private Placement of up to 282,144,000 new ordinary shares, representing 30% of the total number of issued shares of the Company ("30% Private Placement")

The Company has undertaken a 30% Private Placement, which was completed on 15 July 2020 following the listing and quotation of 282,144,000 ordinary shares on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). The Private Placement of 30% has raised a gross proceeds of RM18,300,000.

The status of utilisation of proceeds raised from the 30% Private Placement as at 30 June 2021 is as follows:-

Description	Proposed Utilisation RM'000	Reallocation RM'000	Actual Utilisation RM'000	Balance Unutilised proceeds RM'000	Deviation RM'000	Timeframe for utilisation from receipt of proceeds i.e. from 15 July 2020	Intended timeframe	Proposed Revised timeframe
Investment in healthcare equipment, manufacturing and/or trading business	5,000	-	(3,426)	1,574	-	Within 24 months	14 July 2022	-
Working Capital	12,550	547	(4,517)	8,580	-	Within 24 months	14 July 2022	-
Estimated expenses for the corporate exercise	750	(547)	(203)	-	-	Immediate	-	-
	18,300	-	(8,146)	10,154	-	-	-	-

Note: *The balance unutilised proceeds of RM547,000 for the estimated expenses for the corporate exercise had been reclassified into Working Capital.

OTHER COMPLIANCE INFORMATION

cont'd

D. UTILISATION OF PROCEEDS *cont'd*

(ii) Rights Issue with Warrants C

The Company has undertaken a Rights Issue with Warrants C, which was completed on 28 December 2020 following the listing and quotation of 1,432,718,739 Rights Shares and 1,146,174,828 Warrants C on the ACE Market of Bursa Securities. The Rights Issue with Warrants C has raised a gross proceeds of RM114,617,000.

The status of utilisation of proceeds raised from the Rights Issue with Warrants C as at 30 June 2021 is as follows:-

Description	Proposed Utilisation RM'000	Reallocation RM'000	Actual Utilisation RM'000	Balance Unutilised proceeds RM'000	Deviation RM'000	Timeframe for utilisation of proceeds i.e. from 28 December 2020	Intended timeframe	Proposed Revised timeframe
Construction of factory building for the Gloves Business	15,232	-	(15,232)	-	-	Within 6 months	27 June 2021	27 June 2022
Capital expenditure for the Gloves Business	83,176	-	(19,747)	63,429	-	Within 24 months	27 December 2022	-
Working capital for the Gloves Business	15,498	13	(380)	15,131	-	Within 24 months	27 December 2022	-
Estimated expenses for the corporate exercise	711	(13)	(698)	-	-	Immediate	-	-
	114,617	-	(36,057)	78,560	-	-	-	-

Note: *The balance unutilised proceeds of RM13,000 for the estimated expenses for the corporate exercise had been reclassified into Working Capital.

(iii) Private Placement of up to 855,132,900 new ordinary shares, representing 20% of the total number of issued shares of the Company ("20% Private Placement")

The Company has utilised the 20% general mandate for authority to issue shares granted by the shareholders at the Annual General Meeting held on 30 September 2020 for the subject 20% Private Placement.

Please refer to the Statement Accompanying Notice of Annual General Meeting for further details on the status of utilisation of the gross proceeds received up to the printing date of this Annual Report.

Save for the above, there is no other corporate proposal undertaken by the Company during the financial year and hence no additional proceeds being raised accordingly.

E. SHARE ISSUANCE SCHEME ("SIS")/EMPLOYEES' SHARE OPTIONS SCHEME

The SIS of the Company was approved by the shareholders at the Extraordinary General Meeting held on 5 June 2015 and is governed by the SIS By-Laws.

The SIS was implemented on 29 July 2015 and shall be in force for a period of five (5) years and may be extended for such further period, at the sole and absolute discretion of the Board upon the recommendation by the Option Committee, provided always that the Initial Scheme Period above and such extension of the scheme made pursuant to the By-Laws shall not in aggregate exceed a duration of ten (10) years or such other period as may be prescribed by Bursa Malaysia Securities Berhad or any other relevant authorities from the effective date of the SIS.

OTHER COMPLIANCE INFORMATION

cont'd

E. SHARE ISSUANCE SCHEME ("SIS")/EMPLOYEES' SHARE OPTIONS SCHEME *cont'd*

The Company had on 25 June 2020 extended the existing SIS, which expired on 28 July 2020, for a further period of five (5) years, i.e. from 29 July 2020 to 28 July 2025 ("SIS Extension"), in accordance with the terms of the SIS By-Laws.

Notwithstanding the SIS Extension, the Company had terminated the existing SIS with effect from 24 March 2021 in accordance to the SIS By-Laws as the Company intended to establish and implement a new employees' share options scheme which was approved by the shareholders of the Company at the extraordinary general meeting held on 26 October 2020.

As at 24 March 2021, a total of 701,452,600 SIS options had been exercised.

There is one (1) SIS in existence during the financial period from 1 April 2020 to 24 March 2021 with information as follows:-

Total number of options/shares outstanding as at 1 April 2020	Total number of options exercised during the financial period from 1 April 2020 to 24 March 2021	Total number of options/shares granted during the financial period from 1 April 2020 to 24 March 2021	Total number of options/shares lapsed during the financial period from 1 April 2020 to 24 March 2021	Total options/shares outstanding as at 24 March 2021
-	701,452,600	958,547,100	(257,094,500)	-

Options granted to Directors and Chief Executive

Total number of options/shares outstanding as at 1 April 2020	Aggregate options exercised or vested during the financial period from 1 April 2020 to 24 March 2021	Aggregate options/shares granted during the financial period from 1 April 2020 to 24 March 2021	Aggregate options/shares outstanding as at 24 March 2021
-	-	-	-

Options granted to Directors and Senior Management

	During the financial period from 1 April 2020 to 24 March 2021	Since commencement of the SIS on 29 July 2015
Aggregate maximum allocation in percentage	Nil	Nil
Actual percentage granted	Nil	Nil

The new employees' share options scheme ("ESOS") of the Company has been implemented with effect from 25 March 2021.

As at 30 September 2021, a total of 1,430,000,000 options were offered to eligible employees under the ESOS.

There is one (1) ESOS in existence during the financial period ended 30 June 2021 with information as follows:-

Total number of options/shares outstanding as at 1 April 2020	Total number of options exercised during the financial period from 25 March 2021* to 30 June 2021	Total number of options/shares granted during the financial period from 25 March 2021* to 30 June 2021	Total number of options/shares lapsed during the financial period from 25 March 2021* to 30 June 2021	Total options/shares outstanding as at 30 June 2021
-	500,000,000	1,000,000,000	(500,000,000)	-

OTHER COMPLIANCE INFORMATION

cont'd

E. SHARE ISSUANCE SCHEME ("SIS")/EMPLOYEES' SHARE OPTIONS SCHEME cont'd

Options granted to Directors and Chief Executive

Total number of options/ shares outstanding as at 1 April 2020	Aggregate options exercised or vested during the financial period from 25 March 2021* to 30 June 2021	Aggregate options/ shares granted during the financial period from 25 March 2021* to 30 June 2021	Aggregate options/shares outstanding as at 30 June 2021
-	-	-	-

Options granted to Directors and Senior Management

	During the financial period from 25 March 2021* to 30 June 2021	Since commencement of the ESOS on 25 March 2021
Aggregate maximum allocation in percentage	Nil	Nil
Actual percentage granted	Nil	Nil

* Date of establishment of the ESOS

Breakdown of the options offered to and exercised by non-executive Directors pursuant to ESOS in respect of the financial period are as follows:

Name of Directors	Amount of Options Granted	Amount of Options Exercised
Dato' Seri Abdul Azim Bin Mohd Zabidi	Nil	Nil
Ong Tee Kein	Nil	Nil
YM Tengku Ahmad Badli Shah Bin Raja Hussin	Nil	Nil
Chu Chee Peng	Nil	Nil

F. PROPERTIES

The list of properties of the Company as at 30 June 2021 is as follows:-

Location	Description	Land area	Existing use	Date of Acquisition	Tenure	Approximate age of buildings (years)	Net Book Value as at 30.06.2021 RM'000
Lot 2265, Geran Mukim 6711, Town of Kulim District of Kulim Kedah	Factory	1,630 square metres	Manufacturing of Effective microorganism	2014	Freehold	16	866
Lot 2264, Geran Mukim 6710, Town of Kulim District of Kulim Kedah	Factory	836 Square metres	Storage	2014	Freehold	16	577
Lot 304994, Mukim Hulu Kinta, Perak	Land	18746 Square metres	Glove business	2020	99 years up to 30 July 2096	-	6,434

AUDIT COMMITTEE REPORT

The Board of Directors of FINTEC GLOBAL BERHAD is pleased to present the report of the Audit Committee for the financial period ended ("FPE") 30 June 2021.

A. COMPOSITION AND MEETINGS

The composition of the Audit Committee and the attendance by each member at the Committee meetings held during the FPE 30 June 2021 are as follows:-

Members	Attendance of meetings	Percentage attendance
Ong Tee Kein (<i>Chairman</i>) <i>Independent Non-Executive Director</i>	5/5	100%
Chu Chee Peng <i>Senior Independent Non-Executive Director</i>	5/5	100%
YM Tengku Ahmad Badli Shah Bin Raja Hussin <i>Independent Non-Executive Director</i>	5/5	100%

B. TERMS OF REFERENCE OF AUDIT COMMITTEE

The full details of terms of reference of the Audit Committee are published on the Company's website at <http://www.fintec.global/>.

The Board assesses the performance of the Audit Committee through an annual Board Committee evaluation and is satisfied that they are able to discharge their function, duties and responsibilities in accordance with the terms of reference of the Audit Committee, which is published on the Company's website.

Taken into consideration of the Malaysian Code on Corporate Governance ("MCCG") 2017 and the latest MCCG 2021 effective from 28 April 2021, and the amendments to the listing requirements of Bursa Malaysia Securities Berhad, the Audit Committee and the Board would also review the terms of reference of the Audit Committee and would revise the same in ensuring appropriate corporate governance and compliance with the guidelines and requirements and amongst other, the rights of the Audit Committee shall include:-

- (a) the authority to investigate any matter within its terms of reference and have the right of direct access to anyone in the Company to conduct a special investigation to be carried out for fraud, violation of code of conduct or an illegal act;
- (b) the resources which are required to perform its duties;
- (c) full and unrestricted access to any information pertaining to the Group;
- (d) direct communication channels with the external auditors and the internal auditors;
- (e) the right to obtain independent professional or other advice and to invite outside experts or advisors such as valuers, or tax consultants with relevant experience and expertise to attend the Audit Committee meetings (if required) and to brief the Audit Committee at the Company's expense; and
- (f) the right to convene meetings with the internal auditors and the external auditors, excluding the attendance of the executive board members, Management or employees of the Group, whenever deemed necessary.

Further, the Audit Committee held five (5) meetings during the financial period under review and the Managing Director and senior management were invited to all the meetings to facilitate direct communication and to provide clarifications on the audit issues, operation matters as well as the risk management and internal controls of the Group. In addition, the Internal Auditors and External Auditors were also invited to attend the Audit Committee meetings held to present their reports, audit findings and recommendations to the Audit Committee to facilitate them in discharging their duties and responsibilities and reporting to the Board on matters which warrants the attention and decisions of the Board.

The Audit Committee met with the External Auditors once without the presence of the Managing Director and senior management to deliberate and raise specific audit matters which required the attention and opinion of the Audit Committee and Management's cooperation with the External Auditors, sharing of information and proficiency and adequacy of the resources in the financial reporting functions.

AUDIT COMMITTEE REPORT

cont'd

B. TERMS OF REFERENCE OF AUDIT COMMITTEE *cont'd*

Discussion and audit issues tabled at Audit Committee meetings, including the decisions made and rationale adopted in arriving at such decisions were recorded. Thereafter, the Minutes of the Audit Committee meetings were tabled for confirmation at the following Audit Committee meeting. Recommendations and decisions made by the Audit Committee were also presented to the Board for approval, whenever necessary, which included but not limited to the quarterly financial results, audited financial statements, circular to shareholders, audit reports and major audit findings. During the presentation by the Audit Committee Chairman at the Board of Directors' Meetings, the Audit Committee Chairman also conveyed to the Board the significant concerns or major audit issues raised by the Internal Auditors, External Auditors and the Audit Committee itself.

C. SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

During the FPE 30 June 2021, the Audit Committee has carried out its duties as set out in terms of reference, which are summarised as follows:-

Ensuring Financial Statements Comply with Applicable Financial Reporting Standards:

- a. Reviewed the quarterly financial results, audited financial statements and annual report of the Group and the Company and ensure, amongst others, that they comply with applicable financial reporting standards prior to submission to the Board of Directors for consideration and approval.
- b. Reviewed any changes in the implementation of major accounting policies and practices to the Group.

Reviewing the Audit Findings of the External Auditors and Assessing their Performance, Suitability and Independence of External Auditors:

- a. Reviewed the external auditors' audit plans, its scope of work and nature for the year and for the Group.
- b. Reviewed the external auditors' findings arising from audits and in particular, responses, appropriate action taken by Management.
- c. Reviewed the fees (both audit and non-audit) and expenses paid to the external auditors and assessed the independence of the external auditors for the re-appointment as external auditors. The Audit Committee is of the opinion that the independence of the external auditors has not been compromised based on the confirmation provided by the external auditors.
- d. Conducted private meeting with the External Auditors without the presence of Managing Director or employees of the Group.
- e. Reviewed and recommended the change of External Auditors during the FPE 30 June 2021.

Overseeing the Governance Practices in the Group:

- a. Reviewed the minutes of meetings of the Audit Committee.
- b. Reviewed the acquisition of major investment, investments in quoted and unquoted securities or fixed assets prior recommending the same to the Board of Directors for approval.
- c. Reviewed the corporate proposals to be undertaken by the Company.
- d. Reviewed the Terms of Reference of the Audit Committee.
- e. Reviewed the financial status of the Company and its investee companies.
- f. Reviewed the potential related party transaction of the Group.
- g. Reviewed the Risk Management Framework and Policy.

Reviewing the Audit Findings of the Internal Auditors and Assisting the Board in Reviewing the Effectiveness and Adequacy of Systems of Internal Control in the Key Operation Processes:

- a. Reviewed the internal audit reports prepared by the Internal Auditors and the action plans taken by Management to resolve the issues to ensure adequacy of the internal control system.
- b. Reviewed the internal audit function of the Group.
- c. Reviewed the effectiveness and efficiency of the internal controls system in place and the risk factors affecting the Company.
- d. Reviewed the Statement of Sustainability.
- e. Reviewed the Anti-Bribery and Corruption & Whistleblower Policy.
- f. Reviewed the standard operating policies and procedures in relation to the investment planning and trading in marketable securities of the Group.

AUDIT COMMITTEE REPORT

cont'd

D. INTERNAL AUDIT FUNCTION

The Group's internal audit function which reports directly to the Audit Committee, is outsourced to a professional services firm. The Internal Auditors provide the Audit Committee with an independent assessment on the adequacy and effectiveness of the Group's risk management and system of internal control. Cost incurred for the internal audit function in respect of the FPE 30 June 2021 amounted to RM20,000.

The role of the internal audit function is independent and not related to the Group's External Auditors. The internal audit function includes evaluation on the processes by which significant risks are identified, assessed and managed and ensures that instituted controls are appropriate and effectively applied and the risk exposures are consistent with the Company's risk management policy.

The internal audit division conducts scheduled internal audits based on the audit plan presented to and approved by the Audit Committee. The audit focuses on areas with high risk and ascertains that the risks are effectively mitigated by controls. Periodic reports are then tabled to the Audit Committee on improvements, recommendations and follow-ups to close the gap.

During the FPE 30 June 2021, the internal auditors carried out duties in areas covering internal audit on risk management, portfolio management of Asiabio Capital Sdn. Bhd. and Fintec Global Limited, as well as the adequacy and effectiveness of the system of internal controls of Fintec Global Berhad with respect to its Financial Statement Close Processing Management and Review on Delegation of Authority.

The Internal Audit Reports were tabled to the Audit Committee at the Audit Committee Meeting to review and discuss the major concerns and risks including the appropriate actions for improvement to be undertaken by Management.

The details of the Internal Audit Function are set out in the Statement on Risk Management and Internal Control of this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT ON FINANCIAL STATEMENTS

In accordance to the Companies Act 2016, the Directors are obliged to prepare the financial statements for each financial year in accordance with the applicable Malaysian Financial Reporting Standards ("MFRSs"), the International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act 2016 in Malaysia.

The primary aim of the Directors is to present a balanced and understandable assessment of the Group's position and prospects through its annual financial statements and quarterly financial results to its shareholders. In presenting the financial statements, the Group has used appropriate accounting policies, consistently applied and supported by reasonable judgements and estimates. The quarterly financial results were reviewed by the Audit Committee and approved by the Board of Directors before their release to Bursa Malaysia Securities Berhad.

The Directors of the Company are required to ensure that the financial statements for each financial year are properly drawn up in accordance with the provisions of the Companies Act, 2016 and applicable approved accounting standards in Malaysia as well as the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad so as to give a true and fair view of the state of affairs of the Group and the Company as at the end of the financial year and of the results and cash flows of the Group and the company for that period.

The Directors are satisfied that in preparing the financial statements of the Group for the FPE 30 June 2021, the Group had used appropriate accounting policies and applied them consistently, prudently and reasonably. The Directors also ensure that all applicable approved accounting standards are adhered to in the preparation of the financial statements.

In addition, the Directors are responsible for taking reasonable steps to safeguard the assets of the Company and the Group, to detect and prevent fraud and other irregularities.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors (“the Board”) of the Company recognises the importance of good practice of corporate governance and is committed to establish a sound risk management framework and system of internal control to safeguard shareholders’ investments and the assets of the Group.

The Board is pleased to present this Statement on Risk Management and Internal Control for the financial period ended 30 June 2021 of the Group, pursuant to Rule 15.26(b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“ACE Market LR”) and guided by the “Statement on Risk Management and Internal Control - Guidelines for Directors of Listed Issuers” (Para. 32) and with the “Malaysian Code on Corporate Governance 2017” (Practice 9.1 and 9.2).

BOARD RESPONSIBILITY

The Board acknowledges its responsibility for maintaining the Group’s systems of internal controls and risk management to safeguard shareholders’ investment and the Group’s assets in the interest of all of its stakeholders. The Board further recognises its responsibility in reviewing the adequacy and integrity of these systems.

The Board regularly receives and reviews reports on internal control, and is of the view that the system of internal control is adequate to safeguard shareholders’ interest and the Group’s assets. The role of Management is to implement the Board’s policies and guidelines on risks and controls, to identify and evaluate the risks encountered, and to operate adequate system of internal controls to mitigate these risks.

However, due to the limitations that are inherent in any system of internal control, our internal control system can only provide reasonable and not absolute assurance against material misstatement or loss as it is designed to manage rather than eliminate the risk of failure to achieve the Group’s business objectives.

RISK MANAGEMENT

The Board acknowledges that there is an on-going process undertaken by the Group to identify, evaluate, monitor, assess, manage and report the key risks to achieve the objectives of the Group for the financial period under review. This process is regularly reviewed by the Board in compliance with the relevant guidelines, to ensure a proper balance between risks encountered by the Group and potential returns to shareholders.

The Group out-sourced the internal audit function to an independent professional consultancy firm during the financial period under review to review the risk management and internal control systems of the Group and report directly to the Audit Committee. The main objective of these audits is to provide a reasonable assurance that the risk management and internal control systems of the Group are operated adequately, satisfactorily and effectively.

Upon completion of the audit assignment, the internal auditors presented their report and discussed their findings and recommendations for improvement to the Audit Committee. All key risks were assessed by using qualitative measures based on the significance of its impact to the Group and the likelihood of its occurrence. An assessment of impact and its likelihood of occurring were evaluated, indicating the level of attention and mitigation actions required. Areas with higher risk levels are selected as internal audit priority and incorporated into the internal audit plan. Reviews and recommendations are then carried out based on resources allocated, focusing on areas that required immediate mitigation, remedy and rectification. All agreed management action plans are presented to the Board for approval via the Audit Committee.

The Audit Committee of the Group reviews the internal control issues identified by the Internal Auditors, the External Auditors and Management, and evaluates the effectiveness and adequacy of the Group’s risk management and internal control systems. It also reviews the internal audit function with particular emphasis on the scope of frequency of audits and the adequacy of resources. The minutes of the Audit Committee meetings are presented to the Board of Directors of the Company on quarterly basis.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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KEY PROCESSES OF INTERNAL CONTROL

Salient features of the key processes of the system of internal control of the Group are as follows:

- i) The Group maintains a formal organisational structure that includes clear delegation of responsibilities and accountability. The Group's business objectives are communicated to the respective personnel in relation to their respective roles so that they understand and held accountable for the achievement of these objectives. The authority limits, roles and responsibilities and line of reporting are also documented in writing as a formal medium of communication.
- ii) Documented policies and procedures for key business processes are formalised and regularly reviewed as well as updated to ensure its effectiveness and able to continually and adequately support the Group's business activities at all times as the Group continues to grow.
- iii) There is active involvement by the Managing Director in the day-to-day business operations of the Group. Scheduled operational and management meetings are held to discuss and review the business plans, budgets, financial and operational performances of the Group. The quarterly financial results are presented to the Board for their review, consideration and approval. The Board also plays an active role in discussing and reviewing the business plans, strategies, performance and risks encountered by the Group.
- iv) The Board is committed to identify business and other risks that are inherent in the environment in which the Group operates and to ensure the implementation of appropriate control mechanism to mitigate these risks. In assisting it to discharge its duties and responsibilities, the Board through the Audit Committee, senior management and the internal audit function, will carry out bi-annually of the adequacy and the integrity of the Group's internal control system and management information system, including system for compliance with applicable laws, regulations, rules, directives and guidelines.
- v) During the financial period under review, internal audit was carried out on the business management process. Based on the findings of the internal audit carried out and after the Audit Committee had reviewed the recommendations made by the Internal Auditor on the weaknesses that were identified, Management has put in place additional controls based on Internal Auditor's recommendation.

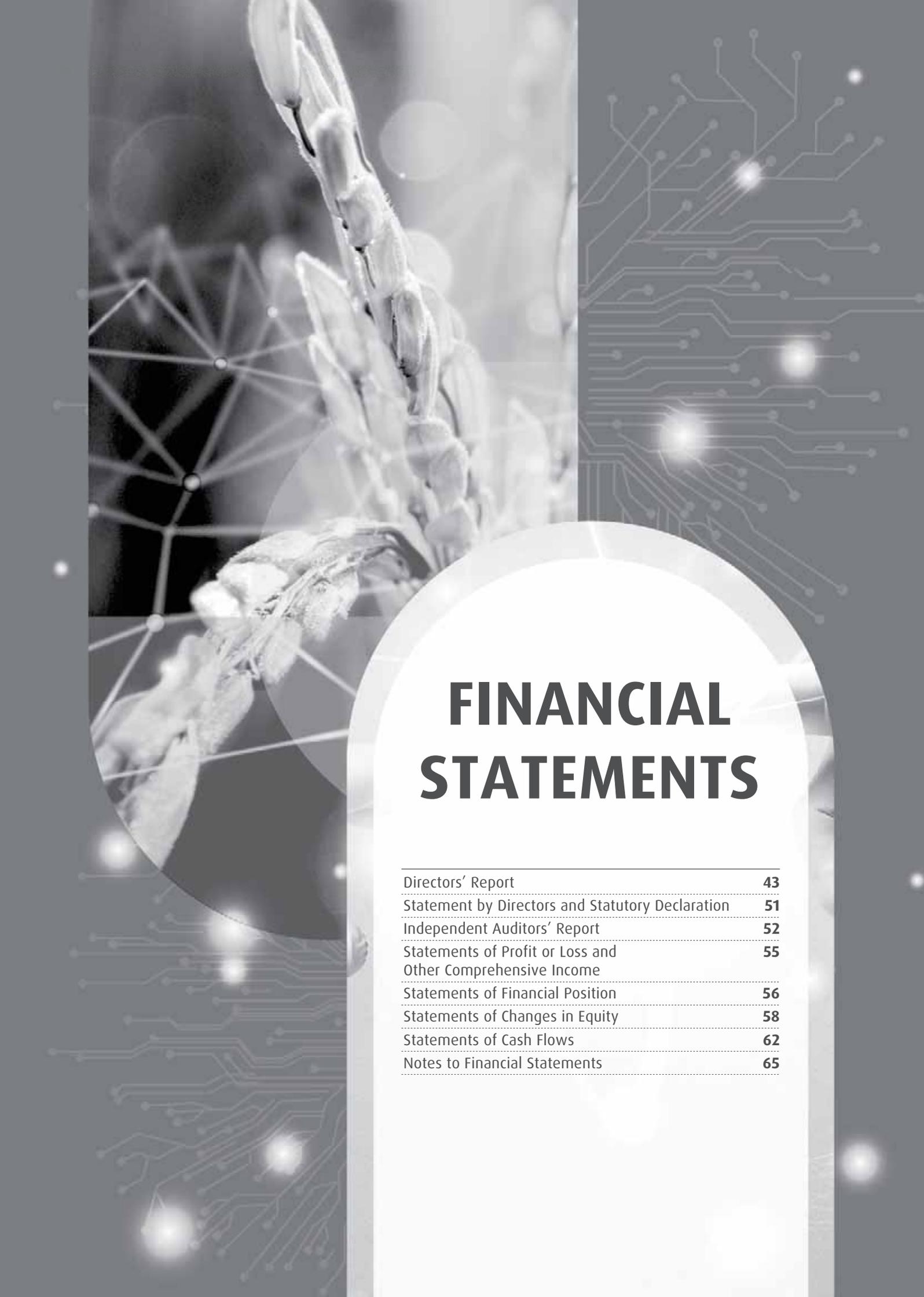
CONCLUSION

The Board is of the opinion that the Group's system of internal control and risk management is operating adequately and effectively in all material aspects for the financial period under review up to the date of approval of this statement. The Board has appraised and confirms the effectiveness, adequacy and integrity of the system of internal control in operation during the financial period under review. The Board remains committed towards building a sound system of internal controls within an effective risk management framework. The Board acknowledges that internal controls must continuously improve to support the Group in achieving its key objectives.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Rule 15.23 of ACE Market LR, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their review was performed in accordance with Recommended Practice Guide 5 (Revised) issued by the Malaysian Institute of Accountants and has reported to the Board that nothing has come to their attention that causes them to believe that this statement is inconsistent with their understanding of the process adopted by the Board in the review of the adequacy and effectiveness of the risk management and internal controls within the Group.

This Statement of Risk Management and Internal Control has been approved by the Board of Directors at the meeting held on 21 October 2021.



FINANCIAL STATEMENTS

Directors' Report	43
Statement by Directors and Statutory Declaration	51
Independent Auditors' Report	52
Statements of Profit or Loss and Other Comprehensive Income	55
Statements of Financial Position	56
Statements of Changes in Equity	58
Statements of Cash Flows	62
Notes to Financial Statements	65

Directors' Report

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial period ended 30 June 2021.

CHANGE OF FINANCIAL YEAR

The financial year end of the Company has been changed from 31 March to 30 June. Accordingly, the current financial statements are prepared on an 15-month basis from 1 April 2020 to 30 June 2021. As a result, the comparative figures are noncomparable.

PRINCIPAL ACTIVITIES

The principal activities of the Company are technology incubation, investment holding, manufacturing and sale of rubber gloves. The principal activities of the subsidiary companies are disclosed in Note 11 to the financial statements.

There has been no significant change in the nature of these activities during the financial period other than disclosed in the financial statements.

RESULTS

	Group RM	Company RM
Loss for the financial period	(313,743,280)	(91,916,110)
Loss for the financial period attributable to:		
Owners of the parent	(313,681,994)	(91,916,110)
Non-controlling interest	(61,286)	-
	(313,743,280)	(91,916,110)

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial period.

DIVIDENDS

No dividend has been paid or declared by the Company since the end of previous financial year. The Directors do not recommend any dividend for the current financial period ended 30 June 2021.

DIRECTORS

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

Dato' Seri Abdul Azim Bin Mohd Zabidi
 Tan Sik Eek
 YM Tengku Ahmad Badli Shah Bin Raja Hussin
 Ong Tee Kein
 Chu Chee Peng

Other than as stated above, the names of the directors of the subsidiaries of the Company in office during the financial period and during the period from the end of the financial period to the date of this report are:

Beh Seng Kee

Directors' Report

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DIRECTORS' INTERESTS IN SHARES

The shareholdings in the Company and related corporations of those who were Directors at the end of the financial period, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, are as follows:

	Balance as at 01.04.2020	Number of Ordinary Shares		Balance as at 30.06.2021
		Bought	Sold	
In the Company				
Direct Interest:				
Tan Sik Eek	333,333	333,333	-	666,666

By virtue of Tan Sik Eek's interest in the shares of the Company, Tan Sik Eek is also deemed to be interested in the shares of all the related corporations to the extent the Company has an interest.

The other Directors in office at the end of the financial period, did not hold any interest in the Ordinary Shares of the Company and related corporations during the financial period, according to the register required to be kept under Section 59 of the Companies Act 2016 in Malaysia.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the 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 except for those disclosed in Note 28 to the financial statements.

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

DIRECTORS' REMUNERATION AND FEE

Director's remuneration and fees of the Group and of the Company for the financial period ended 30 June 2021 amounted to RM1,971,030 and RM1,037,736 respectively.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITOR

There was no indemnity given to or insurance effected for any director, officer or auditor of the Group and of the Company.

ISSUE OF SHARES AND DEBENTURES

On 11 December 2017, the Company listed and quoted 899,284,472 new irredeemable convertible preference share ("ICPS") in the Company at an issue price of RM0.08 per ICPS and 89,928,341 free detachable Warrant B on the basis of ten (10) ICPS together with one (1) free Warrant B for every five (5) existing ordinary shares of the Company. The salient features of the ICPS is disclosed in Note 22 to the financial statements.

During the financial period, the Company increased its issued share capital by issuance of 132,889,430 new ordinary shares pursuant to the conversion of 250,927,943 ICPS.

Directors' Report

cont'd

ISSUE OF SHARES AND DEBENTURES *cont'd*

On 28 December 2020, the Company listed and quoted 1,432,718,739 new ordinary shares ("Rights Shares") in the Company at an issue price of RM0.08 per Rights Share and 1,146,174,828 free detachable Warrants C on the basis of five (5) Rights Shares together with four (4) free Warrant C for every five (5) existing ordinary shares of the Company. The salient features of the Rights Shares is disclosed in Note 22 to the financial statements.

The newly issued shares ranked pari passu in all respects with the previously issued shares.

There was no issue of debentures by the Company during the financial period.

SHARE ISSUANCE SCHEME ("SIS")

The SIS is governed by the By-Laws approved by the shareholders at an Extraordinary General Meeting held on 5 June 2015. The SIS was implemented on 29 July 2015 and is in force for a period of five (5) years. The Company extended its existing SIS for a further five (5) years, to 28 July 2025.

The salient features of the SIS are as follows:

- (a) The total number of shares to be issued under the SIS shall not exceed, in aggregate, thirty percent (30%) of the issued share capital (excluding treasury shares, if any) of the Company at any point of time during the tenure of the SIS for the eligible persons of the Company and its subsidiary companies who fulfil the eligibility criteria for participation in the SIS. In addition, not more than ten percent (10%) of the shares available under the SIS shall be allocated to any eligible person who, either individually or collectively through persons connected with the eligible person, holds twenty percent (20%) or more in the issued share capital of the Company (excluding treasury shares, if any);
- (b) Each share option entitles the eligible person to subscribe for one (1) new ordinary share in the Company at the price to be determined by the Board upon recommendation of the Option Committee, shall be based on the higher of the five (5)-day volume weighted average market price of the share, as quoted on Ace Market of Bursa Malaysia, immediately preceding the date of offer with a discount of not more than ten percent (10%), if deemed appropriate, or such lower or higher limit in accordance with any prevailing guidelines issued by Bursa Malaysia or any other relevant authorities, as amended from time to time;
- (c) Any share options which have not been exercised shall automatically lapse and be of no further legal effect if acceptance is not received on or before the exercise period; and

Directors' Report

cont'd

SHARE ISSUANCE SCHEME ("SIS")

- (d) All new ordinary shares issued pursuant to the SIS will rank pari passu in all respects with the then existing issued ordinary shares of the Company, except that the new ordinary shares so issued will not be entitled to any dividends, rights, allotments and/or other distributions declared, made or paid to shareholders prior to the date of allotment of such new ordinary shares, and will be subjected to all the provisions of the Articles of the Company relating to transfer, transmission or otherwise.

Details of share options granted and exercised under the SIS are as follows:

	Grant date	Exercise/ vesting period	RM/ option	Number of share options	Outstanding as at 01.04.2020	Exercised	Lapsed	Exercisable as at 30.06.2021
SIS First Grant	05.08.2015	Lapsed	0.100	171,000,000	-	-	-	-
SIS Second Grant	05.10.2016	27.10.2016 – 29.03.2017	0.050	120,000,000	-	-	-	-
SIS Third Grant	14.10.2016	24.11.2016	0.050	40,000,000	-	-	-	-
SIS Fourth Grant	04.04.2017	04.05.2017	0.050	43,000,000	-	-	-	-
SIS Fifth Grant	17.05.2017	07.06.2017	0.165 [#]	27,665,500 [*]	-	-	-	-
SIS Sixth Grant	06.07.2017	11.07.2017	0.140	28,600,000	-	-	-	-
SIS Seventh Grant	28.07.2017	01.08.2017	0.125	8,584,000	-	-	-	-
SIS Eighth Grant	10.09.2019	11.09.2019	0.052	19,193,900	-	19,193,900	-	-
SIS Ninth Grant	12.12.2019	20.12.2019	0.055	33,777,000	-	33,777,000	-	-
SIS Tenth Grant	14.01.2020	21.01.2020	0.050	35,000,000	-	35,000,000	-	-
SIS Eleventh Grant	25.02.2020	27.02.2020	0.040	17,000,000	-	17,000,000	-	-
SIS Twelfth Grant	06.04.2020	08.04.2020	0.028	6,800,000	-	6,800,000	-	-
SIS Thirteenth Grant	04.05.2020	05.05.2020	0.040	29,121,000	-	29,121,000	-	-
SIS Fourteenth Grant	01.06.2020	03.06.2020	0.060	11,678,900	-	11,678,900	-	-
SIS Fifteenth Grant	15.07.2020	20.07.2020	0.085	49,200,000	-	49,200,000	-	-
SIS Sixteenth Grant	17.07.2020	21.07.2020	0.085	30,229,000	-	30,229,000	-	-
SIS Seventeenth Grant	27.07.2020	04.08.2020	0.093	14,329,000	-	14,329,000	-	-
SIS Eighteenth Grant	30.12.2020	06.01.2021 – 26.01.2021	0.080	270,000,200	-	180,000,200	90,000,000	-
SIS Nineteenth Grant	20.01.2021	21.01.2021AR	0.078	234,094,500	-	67,000,000	167,094,500	-
SIS Twentieth Grant	18.02.2021	19.02.2021	0.075	56,000,000	-	56,000,000	-	-
SIS Twenty-first Grant	25.02.2021	04.03.2021 – 19.03.2021	0.070	257,094,500	-	257,094,500	-	-

* The number of share options granted have taken into consideration the effect of Share Consolidation taken up by the Company.

The SIS exercise price was adjusted following the effect of Share Consolidation taken up by the Company.

During the financial period, the Company increased its issued share capital by issuance of 701,452,600 new ordinary shares pursuant to the SIS.

Other than SIS First, Eighteenth and Nineteenth Grant, all the share options offered were accepted by all the eligible employee on the offer date and were fully exercised within the exercise/vesting period.

Directors' Report

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EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The ESOS is governed by the By-Laws approved by the shareholders at an Extraordinary General Meeting held on 26 October 2020. The ESOS was implemented on 25 March 2021 and is in force for a period of five (5) years.

The salient features of the ESOS are as follows:

- (a) The total number of shares to be issued under the ESOS shall not exceed, in aggregate, thirty percent (30%) of the issued share capital (excluding treasury shares, if any) of the Company at any point of time during the tenure of the ESOS for the eligible persons of the Company and its subsidiary companies who fulfil the eligibility criteria for participation in the ESOS. In addition, not more than ten percent (10%) of the shares available under the SIS shall be allocated to any eligible person who, either individually or collectively through persons connected with the eligible person, holds twenty percent (20%) or more in the issued share capital of the Company (excluding treasury shares, if any);
- (b) Each share option entitles the eligible person to subscribe for one (1) new ordinary share in the Company at the price to be determined by the Board upon recommendation of the Option Committee, shall be based on the higher of the five (5)-day volume weighted average market price of the share, as quoted on Ace Market of Bursa Malaysia, immediately preceding the date of offer with a discount of not more than ten percent (10%), if deemed appropriate, or such lower or higher limit in accordance with any prevailing guidelines issued by Bursa Malaysia or any other relevant authorities, as amended from time to time;
- (c) Any share options which have not been exercised shall automatically lapse and be of no further legal effect if acceptance is not received on or before the exercise period; and
- (d) All new ordinary shares issued pursuant to the ESOS will rank pari passu in all respects with the then existing issued ordinary shares of the Company, except that the new ordinary shares so issued will not be entitled to any dividends, rights, allotments and/or other distributions declared, made or paid to shareholders prior to the date of allotment of such new ordinary shares, and will be subjected to all the provisions of the Articles of the Company relating to transfer, transmission or otherwise.

Details of share options granted and exercised under the ESOS are as follows:

	Grant date	Exercise/ vesting period	RM/ option	Number of share options	Outstanding as at 01.04.2020	Exercised	Lapsed	Exercisable as at 30.06.2021
ESOS First Grant	08.04.2021	-	0.060	300,000,000	-	-	300,000,000	-
ESOS Second Grant	23.04.2021	05.05.2021	0.050	300,000,000	-	100,000,000	200,000,000	-
ESOS Third Grant	11.05.2021	12.05.2021	0.041	100,000,000	-	100,000,000	-	-
ESOS Fourth Grant	28.05.2021	03.06.2021	0.038	100,000,000	-	100,000,000	-	-
ESOS Fifth Grant	10.06.2021	16.06.2021 & 22.06.2021	0.033	200,000,000	-	200,000,000	-	-

During the financial period, the Company increased its issued share capital by issuance of 500,000,000 new ordinary shares pursuant to the exercise of ESOS.

Directors' Report

cont'd

WARRANTS

WARRANT 2014/2024 ("WARRANTS A")

On 28 April 2014, the Company listed and quoted 420,200,000 free detachable Warrants A pursuant to the Rights Issue with Warrants Exercise on the basis of one (1) Warrant A for every one (1) Rights Share subscribed.

The Warrants A are constituted by the Deed Poll dated 17 March 2014 ("Deed Poll A").

The salient features of the Warrants A are as follows:

- (a) Each Warrant A entitles the registered holder thereof ("Warrant holder(s)") to subscribe for one (1) new ordinary share in the Company at an exercise price of RM0.10 during the 10-year period expiring on 19 April 2024 ("Exercise Period"), subject to the adjustments as set out in the Deed Poll A;
- (b) At the expiry of the Exercise Period, any Warrants A which have not been exercised shall automatically lapse and cease to be valid for any purposes; and
- (c) Warrant holders must exercise the Warrants A in accordance with the procedures set out in the Deed Poll A and shares allotted and issued upon such exercise shall rank pari passu in all respects with the then existing shares of the Company, and shall be entitled to any dividends, rights, allotments and/or other distributions after the issue and allotment thereof.

On 5 June 2017, the Company has completed the Proposed Share Consolidation involves the consolidation of every 3 ordinary shares in the Company into 1 ordinary share. Upon completion of the Share Consolidation, the total 393,888,400 outstanding Warrants A in the Company were consolidated into 131,295,625 Warrants A.

WARRANT 2017/2022 ("WARRANTS B")

On 11 December 2017, the Company listed and quoted of 89,928,341 free detachable Warrants B pursuant to the Rights Issue of Irredeemable Convertible Preference Shares ("ICPS") with Warrants Exercise on the basis of ten (10) ICPS together with one free Warrants B for every 5 existing ordinary shares held by the shareholders of the Company.

The warrants B are constituted by the Deed Poll dated 17 October 2017 ("Deed Poll B").

The Salient features of the Warrants B are as follows:

- (a) Each Warrant B entitles the registered holder to subscribe for one (1) new ordinary share in the Company at an exercise price of RM0.15 during the five (5)-year period expiring on 4 December 2022 ("Exercise Period"), subject to the adjustments in accordance with the provisions of the Deed Poll B;
- (b) At the expiry of the Exercise Period, any Warrants B which have not been exercised will thereafter lapse and cease to be valid;
- (c) The exercise price and/or the number of unexercised Warrants B shall be adjusted in the event of any alteration in the share capital of the Company at any time during the tenure of the Warrants B by reason of any issue of shares, consolidation, subdivision or capital reduction in accordance with the provisions of the Deed Poll B; and
- (d) Warrant holders must exercise the Warrants B in accordance with the procedures set out in the Deed Poll B and shares allotted and issued upon such exercise shall rank pari passu in all respects with the then existing shares of the Company, and shall be entitled to any dividends, rights, allotments and/or other distributions after the issue and allotment thereof.

Directors' Report

cont'd

WARRANTS *cont'd*

WARRANT 2020/2023 ("WARRANTS C")

On 28 December 2020, the Company has listed and quoted 1,146,174,828 free detachable Warrants C pursuant to the Rights Issue with Warrants C on the basis of five (5) Rights Shares together with four (4) free Warrant C for every five (5) existing ordinary shares of the Company.

The warrants C are constituted by the Deed Poll dated 10 November 2020 ("Deed Poll C").

The Salient features of the Warrants C are as follows:

- (a) Each Warrant C entitles the registered holder to subscribe for one (1) new ordinary share in the Company at an exercise price of RM0.08 during the three (3)-year period expiring on 20 December 2023 ("Exercise Period"), subject to the adjustments in accordance with the provisions of the Deed Poll B;
- (b) At the expiry of the Exercise Period, any Warrants C which have not been exercised will thereafter lapse and cease to be valid;
- (c) The exercise price and/or the number of unexercised Warrants C shall be adjusted in the event of any alteration in the share capital of the Company at any time during the tenure of the Warrants C by reason of any issue of shares, consolidation, subdivision or capital reduction in accordance with the provisions of the Deed Poll C; and
- (d) Warrant holders must exercise the Warrants C in accordance with the procedures set out in the Deed Poll C and shares allotted and issued upon such exercise shall rank *pari passu* in all respects with the then existing shares of the Company, and shall be entitled to any dividends, rights, allotments and/or other distributions after the issue and allotment thereof.

The movements in the Warrants A, Warrants B and Warrants C are as follows:

	Entitlement For Ordinary Shares			As at 30.06.2021
	As at 01.04.2020	Issued	Exercised	
Warrants A	131,295,625	38,797,213	-	170,092,838
Warrants B	89,928,341	26,560,220	45,133	116,443,428
Warrants C	-	1,146,174,828	48,000	1,146,126,828
	221,223,966	1,211,532,261	93,133	1,432,663,094

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted by the Company to any parties during the financial period to take up unissued shares of the Company.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and had satisfied themselves that all known bad debts have been written off and that no allowance for doubtful debts is required; and
- (ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

Directors' Report

cont'd

OTHER STATUTORY INFORMATION *cont'd*

At the date of this report, the Directors are not aware of any circumstances:

- (i) which would render the amount written off for doubtful debts inadequate to any substantial extent or require the making of allowance for doubtful debts in the financial statements of the Group and of the Company; or
- (ii) which would render the value attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (iv) not otherwise dealt with in this report or the financial statements, which would render any amount stated in the financial statements of the Group and of the Company misleading.

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

- (i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person; or
- (ii) any contingent liability in respect of the Group and of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of fifteen months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the results of the operations of the Group and of the Company for the financial period ended 30 June 2021 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of the financial period and the date of this report.

SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

The details of the significant events during the financial period are disclosed in Note 32 to the financial statements.

SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

The details of the reporting events after the financial period are disclosed in Note 33 to the financial statements.

AUDITORS' REMUNERATION

The auditors' remuneration of the Group and of the Company for the financial period ended 30 June 2021 amounted to RM150,766 and RM31,500 respectively.

AUDITORS

The auditors, CHENGCO PLT, have indicated their willingness to continue in office.

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

TAN SIK EEK

ONG TEE KEIN

Kuala Lumpur
21 October 2021

Statement by Directors

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

In the opinion of the Directors, the accompanying financial statements as set out on pages 55 to 113 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 30 June 2021 and of their financial performance and their cash flows for the financial period ended on that date.

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

TAN SIK EEK

ONG TEE KEIN

Kuala Lumpur
21 October 2021

Statutory Declaration

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

I, TAN SIK EEK, being the director primarily responsible for the financial management of FINTEC GLOBAL BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements as set out on pages 55 to 113 are in my opinion 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 in Malaysia.

Subscribed and solemnly declared by the above-named at)
Kuala Lumpur in Wilayah Persekutuan on 21 October 2021)
)

TAN SIK EEK

Before me,

SAMUEL JOHN A/L PONNIAH

No: PJS: B437

COMMISSIONER FOR OATHS

Independent Auditors' Report

To the Members of FINTEC GLOBAL BERHAD
Registration No.: 200701016619 (774628-U) (Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of FINTEC GLOBAL BERHAD, which comprise the statements of financial position as of 30 June 2021 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial period from 1 April 2020 to 30 June 2021, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 55 to 113.

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 30 June 2021 and of their financial performance and their cash flows for the financial 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 financial period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	Our response
<p>Impairment/written off of non-trade receivables, deposits and prepayments</p> <p>As at 30 June 2021, the Group's gross non-trade receivables, deposits and prepayments amounted to RM27,491,825.</p> <p>The management has performed an impairment assessment and review on the non-trade receivables, deposits and prepayments made by the Group.</p>	<p>Our procedures included:</p> <p>(a) Discussed with management to understand their critical judgement used by them for the impairment assessment including the identification of indicator of impairment of prepayment and determination of recoverable amounts of non-trade receivables, deposits and prepayment;</p> <p>(b) Examination of post year end cash receipts – as evidence of recoverability of recorded receivables;</p> <p>(c) Examination of aged receivable listing to identify potential irrecoverable balances supplemented by enquiry into the reasons for provision/non-provision and corroboration of explanations received; and</p> <p>(d) Verified prepayment paid with the relevant supporting documents.</p>

Independent Auditors' Report

To the Members of FINTEC GLOBAL BERHAD
Registration No.: 200701016619 (774628-U) (Incorporated in Malaysia)
cont'd

Report on the Audit of the Financial Statements cont'd

Key audit matters cont'd

Key audit matters	Our response
<p>Impairment of amount due from subsidiaries</p> <p>The gross carrying amount of the amount due from subsidiaries amounted to RM244,601,972. The Company carries significant amount due from subsidiaries which are subject to a high credit risk exposure.</p> <p>Due to the significance of the amount due from subsidiaries in determining the probability of default we consider this to be an area of audit focus.</p>	<p>Our procedures included:</p> <p>(a) Comparing the actual results with previous budget to assess the performance of the business and reliability of the forecasting process;</p> <p>(b) Comparing the Company's assumptions to our assessments in relation to key assumptions to assess their reasonableness and achievability of the projections; and</p> <p>(c) Testing the mathematical accuracy of the impairment assessments.</p>

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 Directors' 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 Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report 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 Directors' Report 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.

Independent Auditors' Report

To the Members of FINTEC GLOBAL BERHAD
Registration No.: 200701016619 (774628-U) (Incorporated in Malaysia)
cont'd

Report on the Audit of the Financial Statements cont'd

Auditors' Responsibilities for the Audit of the Financial Statements cont'd

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

The financial statements for the financial year ended 31 March 2020 were audited by another firm of certified public accountants whose report dated 25 June 2020 expressed an unqualified opinion on those statements.

CHENGCO PLT
201806002622
(LLP0017004-LCA) & AF0886
Chartered Accountants

YAP PENG BOON
02118/12/2022 J
Chartered Accountant

Kuala Lumpur,
Date: 21 October 2021

Statements of Profit or Loss and Other Comprehensive Income

For the Financial Period Ended 30 June 2021

	Note	Group		Company	
		From 01.04.2020 to 30.06.2021	From 01.04.2019 to 31.03.2020	From 01.04.2020 to 30.06.2021	From 01.04.2019 to 31.03.2020
		RM	RM	RM	RM
Revenue	3a	114,419,864	20,372,349	-	-
Cost of sales		(138,890,608)	(19,791,288)	-	-
Gross profit		(24,470,744)	581,061	-	-
Other operating income	3b	16,386,682	242,702,869	706,766	1,235,548
Administrative expenses		(25,889,889)	(6,957,646)	(20,372,320)	(6,552,364)
Net gain/(loss) on financial assets at amortised cost		2,573,763	(5,243,233)	-	7,596,171
Other operating expenses		(277,472,974)	(4,285,355)	(72,222,760)	(373,194)
(Loss)/Profit from operations		(312,204,673)	226,797,696	(91,888,314)	1,906,161
Finance cost	5	(1,506,731)	(764,832)	(27,796)	(28,675)
(Loss)/Profit before tax	6	(313,711,404)	226,032,864	(91,916,110)	1,877,486
Tax expense	7	(31,876)	-	-	-
Net (Loss)/Profit for the financial period/year		(313,743,280)	226,032,864	(91,916,110)	1,877,486
Currency translation differences		(444,503)	237,619	-	-
Total comprehensive (loss)/income for the financial period/year		(314,187,783)	226,270,483	(91,916,110)	1,877,486
Net (Loss)/Profit attributable to:					
Owners of the parent		(313,681,994)	226,041,683	(91,916,110)	1,877,486
Non-controlling interest		(61,286)	(8,819)	-	-
		(313,743,280)	226,032,864	(91,916,110)	1,877,486
Total comprehensive (loss)/income for the financial period/year attributable to:					
Owners of the parent		(313,681,994)	226,041,683	(91,916,110)	1,877,486
Non-controlling interest		(61,286)	(8,819)	-	-
		(313,743,280)	226,270,483	(91,916,110)	1,877,486
(Loss)/Earnings attributable to owners of the Company per Ordinary Share (sen)					
- Basic (sen)	8	(13.92)	33.76		
- Diluted (sen)	8	(8.02)	16.55		

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

Statements of Financial Position

As at 30 June 2021

	Note	Group		Company	
		30.06.2021 RM	31.03.2020 RM	30.06.2021 RM	31.03.2020 RM
ASSETS					
Non-current assets					
Property, plant and equipment	9	29,150,119	3,847,879	1,547,405	1,573,110
Right of use assets	10	387,993	9,515,636	387,993	559,172
Intangible assets	12	-	-	-	-
Investment in subsidiaries	12	-	-	10,000,427	4,013,326
Investment in unquoted shares	18	10,765,692	-	-	-
Marketable securities	13	94,440,833	358,067,032	-	-
		134,744,637	371,430,547	11,935,825	6,145,608
Current assets					
Inventories	14	3,098,912	2,004,380	-	-
Trade receivables	15	4,993,668	6,113,048	-	-
Non-trade receivables, deposits and prepayments	16	23,909,436	16,139,878	534,021	8,476,448
Amount due from subsidiaries	17	-	-	44,109,149	20,228,926
Marketable securities	13	19,127,369	27,018,834	-	-
Current tax assets		274,581	374,453	-	-
Short term investment	19	90,515,482	-	90,515,482	-
Deposits with licensed financial institutions	20	-	19,852,759	-	-
Cash and bank balances		19,480,989	553,102	14,269,803	401,729
		161,400,437	72,056,454	149,428,455	29,107,103
TOTAL ASSETS		296,145,074	443,487,001	161,364,280	35,252,711

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

Statements of Financial Position

As at 30 June 2021
cont'd

	Note	Group		Company	
		30.06.2021 RM	31.03.2020 RM	30.06.2021 RM	31.03.2020 RM
EQUITY AND LIABILITIES					
Share capital	21	325,640,393	119,038,461	325,640,393	119,038,461
Irredeemable convertible preference shares	22	7,369,079	27,443,314	7,369,079	27,443,314
Reserves	23	(43,405,434)	235,814,254	(183,469,737)	(126,460,436)
Equity attributable to owners of the parent		289,604,038	382,296,029	149,539,735	20,021,339
Non-controlling interest		(1,742,400)	(1,681,114)	-	-
Total equity		287,861,638	380,614,915	149,539,735	20,021,339
Non-current liabilities					
Lease liabilities	24	262,647	9,322,493	262,647	485,149
Current liabilities					
Trade payables	25	1,743,775	6,301,571	-	-
Non-trade payables and accruals	26	6,124,687	17,867,148	152,976	143,137
Lease liabilities	24	152,327	551,344	152,327	97,104
Borrowings	27	-	28,829,530	-	-
Amount due to subsidiaries	17	-	-	11,256,595	14,505,982
		8,020,789	53,549,593	11,561,898	14,746,223
Total liabilities		8,283,436	62,872,086	11,824,545	15,231,372
TOTAL EQUITY AND LIABILITIES		296,145,074	443,487,001	161,364,280	35,252,711

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

Statements of Changes in Equity

For the Financial Period Ended 30 June 2021

Group	← Attributable to owners of the company →					Sub-total	Non-controlling interest	Total equity
	Share capital	Translation reserve	Irredeemable convertible preference shares	Warrants reserve	Distributable (Accumulated losses) / Retained profits			
	RM	RM	RM	RM	RM	RM	RM	RM
30.06.2021								
At 1 April 2020	119,038,461	237,619	27,443,314	10,903,717	224,672,918	382,296,029	(1,681,114)	380,614,915
Transactions with owners:								
Issuance of ordinary shares pursuant to conversion of ICPS	20,258,089	-	(20,074,235)	-	-	183,854	-	183,854
Issuance of ordinary shares pursuant to Shares Issuance Scheme	51,918,603	-	-	-	-	51,918,603	-	51,918,603
Issuance of ordinary shares pursuant to Employees' Share Option Scheme	19,350,000	-	-	-	-	19,350,000	-	19,350,000
Issuance of ordinary shares pursuant to Private Placement	21,264,609	-	-	-	-	21,264,609	-	21,264,609
Issuance of ordinary shares pursuant to Rights Issue with Warrants	79,709,228	-	-	34,908,271	-	114,617,499	-	114,617,499
Issuance of ordinary shares pursuant to exercise of Warrants C	5,302	-	-	(1,462)	-	3,840	-	3,840
Share based payment	14,096,101	-	-	-	-	14,096,101	-	14,096,101
Total transaction with owners	206,601,932	-	(20,074,235)	34,906,809	-	221,434,506	-	221,434,506
Total comprehensive loss for the year	-	-	-	-	(313,681,994)	(313,681,994)	(61,286)	(313,743,280)
Foreign currency translation differences for foreign operations	-	(444,503)	-	-	-	(444,503)	-	(444,503)
Balance at 30 June 2021	325,640,393	(206,884)	7,369,079	45,810,526	(89,009,076)	289,604,038	(1,742,400)	287,861,638

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

Statements of Changes in Equity

For the Financial Period Ended 30 June 2021
cont'd

Group	← Attributable to owners of the company →					Sub-total	Non-controlling interest	Total equity
	Share capital	Translation reserve	Irredeemable convertible preference shares	Warrants reserve	Distributable (Accumulated losses) / Retained profits			
	RM	RM	RM	RM	RM	RM	RM	RM
31.03.2020								
At 31 March 2019 (before restated)	96,058,092	-	43,175,440	10,903,717	(1,204,803)	148,932,446	(1,672,295)	147,260,151
Initial application of MFRS 16	-	-	-	-	(163,962)	(163,962)	-	(163,962)
At 1 April 2019 (after restated)	96,058,092	-	43,175,440	10,903,717	(1,368,765)	148,768,484	(1,672,295)	147,096,189
Transactions with owners:								
Issuance of ordinary shares pursuant to conversion of ICPS	15,732,126	-	(15,732,126)	-	-	-	-	-
Issuance of ordinary shares pursuant to Shares Issuance Scheme	5,287,737	-	-	-	-	5,287,737	-	5,287,737
Share based payment	1,960,506	-	-	-	-	1,960,506	-	1,960,506
Total transaction with owners	22,980,369	-	(15,732,126)	-	-	7,248,243	-	7,248,243
Total comprehensive income for the year	-	-	-	-	226,041,683	226,041,683	(8,819)	226,032,864
Foreign currency translation differences for foreign operations	-	237,619	-	-	-	237,619	-	237,619
Balance at 31 March 2020	119,038,461	237,620	27,443,314	10,903,717	224,672,918	382,296,029	(1,681,114)	380,614,915

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

Statements of Changes in Equity

For the Financial Period Ended 30 June 2021
cont'd

Company	← Non-distributable →			Distributable	
	Share capital RM	Irredeemable convertible preference shares RM	Warrants reserve RM	Accumulated losses RM	Total equity RM
30.06.2021					
At 1 April 2020	119,038,461	27,443,314	10,903,717	(137,364,153)	20,021,339
Transactions with owners:					
Issuance of ordinary shares pursuant to conversion of ICPS	20,258,089	(20,074,235)	-	-	183,854
Issuance of ordinary shares pursuant to Shares Issuance Scheme	51,918,603	-	-	-	51,918,603
Issuance of ordinary shares pursuant to Employees' Share Option Scheme	19,350,000	-	-	-	19,350,000
Issuance of ordinary shares pursuant to Private Placement	21,264,609	-	-	-	21,264,609
Issuance of ordinary shares pursuant to Rights Issue with Warrants	79,709,228	-	34,908,271	-	114,617,499
Issuance of ordinary shares pursuant to exercise of warrants C	5,302	-	(1,462)	-	3,840
Share based payment	14,096,101	-	-	-	14,096,101
Total transaction with owners	206,601,932	(20,074,235)	34,906,809	-	221,434,506
Total comprehensive loss for the year	-	-	-	(91,916,110)	(91,916,110)
Balance at 30 June 2021	325,640,393	7,369,079	45,810,526	(229,280,263)	149,539,735

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

Statements of Changes in Equity

For the Financial Period Ended 30 June 2021
cont'd

Company	← Non-distributable →			Distributable		Total equity RM
	Share capital RM	Irredeemable convertible preference shares RM	Warrants reserve RM	Accumulated losses RM		
31.03.2020						
At 31 March 2019 (before restated)	96,058,092	43,175,440	10,903,717	(139,228,113)		10,909,136
Initial application of MFRS 16	-	-	-	(13,526)		(13,526)
A1 1 April 2019 (after restated)	96,058,092	43,175,440	10,903,717	(139,241,639)		10,895,610
Transactions with owners:						
Issuance of ordinary shares pursuant to conversion of ICPS	15,732,126	(15,732,126)	-	-		-
Issuance of ordinary shares pursuant to Shares Issuance Scheme	5,287,737	-	-	-		5,287,737
Share based payment	1,960,506	-	-	-		1,960,506
Total transaction with owners	22,980,369	(15,732,126)	-	-		7,248,243
Transfer in accordance with Section 74 of Companies Act 2016						
Total comprehensive income for the year	-	-	-	1,877,486		1,877,486
Balance at 31 March 2020	119,038,461	27,443,314	10,903,717	(137,364,153)		20,021,339

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

Statements of Cash Flows

For the Financial Period Ended 30 June 2021

	Group		Company	
	From 01.04.2020 to 30.06.2021	From 01.04.2019 to 31.03.2020	From 01.04.2020 to 30.06.2021	From 01.04.2019 to 31.03.2020
Note	RM	RM	RM	RM
Cash flows from operating activities				
(Loss)/Profit before tax:	(313,711,404)	226,032,864	(91,916,110)	1,877,486
Adjustments for:				
Depreciation of property, plant and equipment	609,489	625,880	58,392	236,254
Depreciation of right use of assets	171,179	2,122,378	171,179	136,940
Fair value loss/(gain) on marketable securities	276,339,805	(242,207,243)	-	-
(Gain)/Loss on foreign exchange - unrealised	(665,614)	346,628	-	-
Loss on disposal of subsidiary	605,611	-	-	-
Gain on disposal of marketable securities	-	(251,530)	-	-
Gain on disposal of property, plant and equipment	-	(41,000)	-	-
Gain on derecognition of lease liabilities	(745,516)	-	-	-
Impairment/(Reversal) on:				
- property, plant and equipment	-	1,080,628	-	980,407
- trade receivables	26,300	(3,001,920)	-	-
- deposit	(7,592,050)	81,750	-	-
- non-trade receivables	-	571,353	-	532,267
- amount due from subsidiaries	-	-	4,012,899	(8,128,438)
- investments in unquoted shares	4,864,961	-	-	-
- advances for subscription of shares	-	7,592,050	-	-
- investment subsidiaries	-	-	67,742,005	(1,210,790)
- prepayment	153,326	(100,248)	-	-
Interest expenses	1,506,731	758,637	27,796	28,675
Interest income	(8,649,008)	(427,220)	(1,137,288)	-
Bad debt written off	361,534	-	-	-
Property, plant and equipment written off	1	-	-	-
Operating loss before working capital changes	(46,724,656)	(6,816,993)	(21,041,128)	(5,547,199)
Proceeds from disposal of marketable securities	-	19,223,750	-	-
Purchase of marketable securities	(44,382,288)	(64,160,882)	-	-
Increase in inventories	(1,094,532)	(1,906,337)	-	-
Decrease/(Increase) in receivables	37,350	4,072,378	7,942,427	(91,800)
(Decrease)/Increase in payables	(15,671,400)	9,110,239	9,839	53,700
Cash used in operations	(68,275,379)	(40,477,845)	(13,088,862)	(5,585,299)
Tax paid	-	(23,924)	-	-
Tax refunded	67,996	-	-	-
Interest received	8,133,526	427,220	621,805	-
Net cash used in operating activities	(60,073,857)	(40,074,549)	(12,467,057)	(5,585,299)

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

Statements of Cash Flows

For the Financial Period Ended 30 June 2021
cont'd

	Group		Company	
	From 01.04.2020 to 30.06.2021	From 01.04.2019 to 31.03.2020	From 01.04.2020 to 30.06.2021	From 01.04.2019 to 31.03.2020
Note	RM	RM	RM	RM
Cash flows from investing activities				
Purchase of property, plant and equipment	(26,882,251)	(709,268)	(32,686)	(70,331)
Acquisition of short term investment	(90,000,000)	-	(90,000,000)	-
Investment in subsidiaries	-	-	(73,729,106)	(1,999,998)
(Purchase)/Disposal of unquoted shares	(15,630,653)	5,500,000	-	-
Proceeds on disposal of subsidiary	1	-	-	-
Proceed on disposal of property, plant and equipment	-	41,000	-	-
Net cash (used in)/from investing activities	(132,512,903)	4,831,732	(163,761,792)	(2,070,329)
Cash flows from financing activities				
Advance to subsidiary companies	-	-	(31,142,508)	(805,691)
Proceeds from issuance of shares pursuant to ICPS	183,854	-	183,854	-
Proceeds from issuance of shares pursuant to Private Placement	21,264,609	-	21,264,609	-
Proceeds from issuance of shares capital under exercised of SIS	85,364,704	7,248,243	85,364,704	7,248,242
Proceeds from issuance of shares pursuant to Rights Issue with Warrants	114,617,499	-	114,617,499	-
Proceeds from issuance of shares pursuant to exercise of Warrants C	3,840	-	3,840	-
(Repayment)/Drawdown of borrowings	(28,829,530)	28,829,530	-	-
Repayment lease liabilities	269,324	(2,020,000)	(167,279)	(127,385)
Interest paid:				
-Loan interest	(1,053,953)	-	-	-
-Lease liabilities	(452,778)	(465,017)	(27,796)	(28,675)
-Borrowings	-	(293,620)	-	-
Net cash from financing activities	191,367,569	33,299,136	190,096,923	6,286,491
Net (decrease)/increase in cash and cash equivalents	(1,219,191)	(1,943,681)	13,868,074	(1,369,137)
Effects of translation differences	294,319	254,148	-	-
Cash and cash equivalents at beginning of financial period/year	20,405,861	22,095,394	401,729	1,770,870
Cash and cash equivalents at end of financial period/year	(i) 19,480,989	20,405,861	14,269,803	401,733

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

Statements of Cash Flows

For the Financial Period Ended 30 June 2021
cont'd

Notes:

(i) Cash and cash equivalents

Cash and cash equivalents comprise the following:

	Group		Company	
	From 01.04.2020 to 30.06.2021 RM	From 01.04.2019 to 31.03.2020 RM	From 01.04.2020 to 30.06.2021 RM	From 01.04.2019 to 31.03.2020 RM
Deposits with licensed financial institutions	-	19,852,759	-	-
Cash and bank balances	19,480,989	553,102	14,269,803	401,730
	<u>19,480,989</u>	<u>20,405,861</u>	<u>14,269,803</u>	<u>401,730</u>

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

Notes To Financial Statements

As at 30 June 2021

1. BASIS OF PREPARATION

(a) Statement of compliance

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

(b) Standards issued but not yet effective

The following comprise accounting standards, interpretations and amendments of the MFRS that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Company.

MFRS amendments effective for financial periods beginning on or after 1 January 2021

- Amendments to MFRS 4, 7, 9, 16, 139 – Interest Rate Benchmark Reform (Phase 2)

MFRS amendments effective for financial periods beginning on or after 1 January 2022

- Amendments to MFRS 3 – Business Combinations – *Reference to conceptual framework*
- Amendments to MFRS 116 – Property, Plant and Equipment – *Proceed before intended use*
- Amendments to MFRS 137* – Onerous Contracts – *Costs of fulfilling a contract*

New and amendments to MFRS effective for annual periods beginning on or after 1 January 2023

- New MFRS 17, and subsequent amendments – Insurance Contracts
- Amendments to MFRS 101 – Presentation of Financial Statements – *Classification of liabilities as current or non-current*

MFRS amendments deferred indefinitely

- Amendments to MFRS 10 – Consolidated Financial Statements
- Amendments to MFRS 128 – Investments in Associates and Joint Ventures
(*Sale or contribution of assets between an investor and its associate or joint venture*)

* Annual improvements to MFRS Standards 2018 – 2020.

The Group and the Company plan to adopt the above applicable new MFRS and amendments/improvements to MFRS when they become effective.

(c) Basis of measurement

The financial statements have been prepared on the historical cost basis unless otherwise as stated in summary of significant accounting policies.

(d) Significant accounting estimates and judgements

Estimates and judgements are continually evaluated by the Directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's and of the Company's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:

(i) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

Notes To Financial Statements

As at 30 June 2021
cont'd

1. BASIS OF PREPARATION *cont'd*

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

(ii) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions.

The Group and the Company anticipate that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount.

Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(iii) Impairment of Non-financial Assets

When the recoverable amount of an asset is determined based on the estimate of the value in use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(iv) Fair Value Estimates for Certain Financial Assets and Liabilities

The Group carries certain financial assets and liabilities at fair value, which requires extensive use of accounting estimates and judgement. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group uses different valuation methodologies. Any changes in fair value of these assets and liabilities would affect profit and/or equity.

(v) Deferred Tax Assets and Liabilities

Deferred tax implications arising from the changes in corporate income tax rates are measured with reference to the estimated realisation and settlement of temporary differences in the future periods in which the tax rates are expected to apply, based on the tax rates enacted or substantively enacted at the end of the reporting year. While management's estimates on the realisation and settlement of temporary differences are based on the available information at the statements of financial position date, changes in business strategy, future operating performance and other factors could potentially impact on the actual timing and amount of temporary differences realised and settled. Any difference between the actual amount and the estimated amount would be recognised in the profit or loss in the period in which actual realisation and settlement occurs.

(vi) Lease term

In determining the lease term, management considers all fact and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

(vii) Incremental borrowing rate of leases

In determining the incremental borrowing rate, the Company uses recent third-party financing received by the Company as a starting point and makes adjustments specific to the lease, for e.g. term and security.

Notes To Financial Statements

As at 30 June 2021
cont'd

1. BASIS OF PREPARATION *cont'd*

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

(viii) *Provision for Liabilities*

Provision for liabilities are based on management's judgement on the likelihood of liabilities crystallising and best estimates on the amounts required to settle the liabilities arising from legal and constructive obligations. A change in circumstances which could cause estimates to change include changes in market trends and conditions, regulatory environment, employees' behaviours and other factors that may change the amount of provisions in the statement of financial position. The difference between the actual amount and the estimated amount would be recognised in the profit or loss in the period in which the change occurs.

(ix) *Impairment of Goodwill*

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires management to estimate the expected future cash flows of the cash-generating units to which goodwill is allocated and to apply a suitable discount rate in order to determine the present value of those cash flows. The future cash flows are most sensitive to budgeted gross margins, growth rates estimated and discount rate used. If the expectation is different from the estimation, such difference will impact the carrying value of goodwill.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

(i) *Subsidiaries*

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. Potential voting rights are considered when assessing control only when such rights are substantive.

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.

Notes To Financial Statements

As at 30 June 2021
cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(a) Basis of consolidation *cont'd*

(i) Subsidiaries *cont'd*

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 profit or loss.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

(ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- The fair value of the consideration transferred; plus
- The recognised amount of any non-controlling interests in the acquiree; plus
- If the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- The net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss. For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities that the Group incurs in connection with a business combination are expensed as incurred.

(iii) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit and loss and the other comprehensive income for the year between non-controlling interests and the owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so caused the non-controlling interests to have a deficit balance.

(iv) Transactions with non-controlling interests

Transactions with non-controlling interests are accounted for using the entity concept method, whereby, transactions with non-controlling interests are accounted for as transactions with owners.

On acquisition of non-controlling interest, the difference between the consideration and the Group's share of the net assets acquired is recognised directly in equity. Gain or loss on disposal to non-controlling interests is recognised directly in equity.

Notes To Financial Statements

As at 30 June 2021
cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(a) Basis of consolidation *cont'd*

(v) *Loss of control*

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(vi) *Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity accounted associates are eliminated against the investment to the extent of the Group's interest in the associates and jointly controlled entities. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(vii) *Associate*

An associate is an entity, not being a subsidiary or a joint venture, in which the Group and the Company has significant influence. An associate is equity accounted for from the date the Group and the Company obtains significant influence until the date the Group and the Company ceases to have significant influence over the associate.

The Group's investments in associates are accounted for using the equity method. Under the equity method, the investment in associates is measured in the statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the associates. Goodwill relating to associates is included in the carrying amount of the investments. Any excess of the Group's share of the net fair value of the associates identifiable assets, liabilities and contingent liabilities over the cost of the investments is excluded from the carrying amount of the investments and is instead included as income in the determination of the Group's share of the associates profit or loss for the period in which the investment is acquired.

Investments in associates are measured in the Company's statement of financial position at cost less any impairment losses. The cost of investment includes transaction costs.

(b) Foreign currencies

(i) *Functional and presentation currency*

The individual financial statements of the Group and of the Company 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 are the Group's and the Company's functional currency.

(ii) *Foreign currency transactions*

Transactions in foreign currencies are measured in the respective functional currencies of the Group and of the Company and its subsidiaries are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Notes To Financial Statements

As at 30 June 2021
cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(b) Foreign currencies *cont'd*

(ii) Foreign currency transactions *cont'd*

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's and of the Company's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group and of the Company on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

The principal exchange rates for every unit of foreign currency ruling used at reporting date are as follows:

	30.6.2021	31.3.2020
	RM	RM
1 United States Dollar	4.15	4.30
1 Hong Kong Dollar	0.53	0.55
1 Australian Dollar	3.11	2.66

(c) Revenue and other income

(i) Sale of Marketable Securities

The Group and the Company was involved in investing and trading in quoted securities. Revenue is recognised at the point in time when the Group and the Company sells the market securities.

Payment of the transaction price is due immediately when the sales of the investment securities was happen.

(ii) Sale of Goods

The Company is providing business in operation of bar, trading food and beverage. The performance obligation is to deliver foods and beverages to end users.

As the performance obligation is satisfied at a point in time when the Group and the Company transfers control of the goods to the customers, whereby the goods are delivered to the customers, revenue is also recognised based on the selling price set by the management.

No element of financing is deemed present as the sales are made with cash term.

(iii) Interest Income

Interest income is recognised on an accrual basis, based on effective yield on the investment.

(iv) Dividend Income

Dividend income is recognised when the shareholder's right to receive payment is established.

Notes To Financial Statements

As at 30 June 2021
cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(d) Employee benefits expenses

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the financial period in which the associated services are rendered by employees of the Group and of the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

The Group's and the Company's contribution to defined contribution plans are charged to the profit or loss in the period to which they relate. Once the contributions have been paid, the Group and the Company have no further liability in respect of the defined contribution plans.

(e) Borrowing costs

All interest and other costs incurred in connection with borrowings are expensed as incurred as part of finance costs. Finance costs comprise interest paid and payable on borrowings. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

(f) Tax expense

(i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(ii) Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Notes To Financial Statements

As at 30 June 2021
cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(f) Tax expense *cont'd*

(ii) *Deferred tax cont'd*

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs.

(g) Impairment

(i) *Financial assets*

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost, expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for cash and bank balances. Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, which 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12-months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance amount.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedures for recovery amounts due.

Notes To Financial Statements

As at 30 June 2021
cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(g) Impairment

(ii) *Impairment of non-financial assets*

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group and the Company make an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGUs")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset 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. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

(h) Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and to the Company and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group and the Company recognise such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Freehold land has an indefinite useful life and therefore is not depreciated.

Notes To Financial Statements

As at 30 June 2021
cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(h) Property, plant and equipment *cont'd*

Depreciation of other property, plant and equipment is provided for on a straight-line basis, at the following annual rates:

	Method	Useful lives (years)
Leasehold land	Straight line	78
Factory	Straight line	50
Buildings	Straight line	10
Computers	Straight line	3 - 5
Furniture and fittings	Straight line	10
Lab equipment	Straight line	5 - 10
Motor vehicles	Straight line	5 - 10
Office equipment	Straight line	5
Plant and machinery	Straight line	5 - 10
Renovation	Straight line	5
Signboard	Straight line	5 - 10

The carrying amount of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

(i) Leases

The Company has applied MFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised as an adjustment to retained earnings at 1 January 2019. Accordingly, the comparative information presented for 2018 has not been restated - i.e. it is presented, as previously reported under MFRS 117, Leases and related interpretations.

Definition of a lease

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified; and
- (ii) the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- (iii) the Company has the right to direct the use of the asset. The Company has the right to direct the use of the asset when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of an asset if either:
 - the Company has the right to operate the asset; or
 - the Company designed the asset in a way that predetermines how and for what purpose it will be used.

Notes To Financial Statements

As at 30 June 2021
cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(i) Leases *cont'd*

Definition of a lease *cont'd*

(iii) *cont'd*

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

Recognition and initial measurement

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- (i) fixed payments; including in-substance fixed payments less any incentives receivable;
- (ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- (iii) amounts expected to be payable under a residual value guarantee; and
- (iv) payments for purchase or termination options that are reasonably certain to be exercised.

The Company excludes variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognized in profit or loss in the period in which the performance or use occurs.

The Company has elected not to recognise right-of use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payment associated with these leases as an expense on a straight-line bases over the lease term.

As a lessor

When the Company act as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfer substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

Notes To Financial Statements

As at 30 June 2021

cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(i) Leases *cont'd*

Subsequent measurement

As a lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when:

- (i) there is a change in future lease payments arising from the change in an index or rate; or
- (ii) there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; or
- (iii) there is a change of its assessment on whether it will exercise a purchase, extension or termination option; or
- (iv) there is any lease modifications.

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero. The Company recognised lease payments received under operating leases as income on a straight-line basis over the lease term as part of "revenue".

(j) Intangible assets

(i) *Goodwill on consolidation*

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating unit that are expected to benefit from the synergies of the combination.

The cash-generating units to which goodwill has been allocated are tested for impairment annually and whenever there is an indication that the cash-generating units may be impaired, by comparing the carrying amount of the cash-generating units, including the allocated goodwill, with the recoverable amount of the cash-generating units. Where the recoverable amount of the cash-generating units is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

Goodwill and fair value adjustments arising on the acquisition of foreign operation on or after 1 January 2006 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated in accordance with the accounting policy set out in Note 2(b) to the financial statements.

Goodwill and fair value adjustments which arose on acquisitions of foreign operation before 1 January 2006 are deemed to be assets and liabilities of the Group and the Company and are recorded in RM at the rates prevailing at the date of acquisition.

Notes To Financial Statements

As at 30 June 2021
cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(k) Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group and the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the reporting year following the change of the business model.

For purposes of subsequent measurement financial assets are classified in four categories:

- Amortised cost
- Fair value through other comprehensive income – debt instruments
- Fair value through other comprehensive income – equity instruments
- Fair value through profit or loss

(i) *Amortised costs*

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets where the effective interest rate is applied to the amortised cost.

(ii) *Fair value through other comprehensive income*

(a) Debt instruments

Fair value through other comprehensive income category comprises debt investment where it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the debt investment, and its contractual term give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The debt instrument is not designated as at fair value through profit or loss. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets where the effective interest rate is applied to the amortised cost

(b) Equity instruments

This category comprises investment in equity that is not held for trading, and the Group and the Company irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

Notes To Financial Statements

As at 30 June 2021
cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(k) Financial assets *cont'd*

(iii) Fair value through profit or loss

All financial assets not measured at amortised cost as described above are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument). On initial recognition, the Group and the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

All financial assets, except for those measured at fair value through profit or loss and equity investments measured at fair value through other comprehensive income, are subject to impairment assessment.

(l) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, deposits with licensed banks at original maturities not exceeding three months, short term and other highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

(m) Financial liabilities

(i) Fair value through 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 contract or a designated and effective hedging instrument), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition.

On initial recognition, the Group and the Company may irrevocably designate a financial liability that otherwise meets the requirements to be measured at amortised cost as at fair value through profit or loss:

- (a) if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise;
- (b) a group of financial liabilities or assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Group's key management personnel; or
- (c) if a contract contains one or more embedded derivatives and the host is not a financial asset in the scope of MFRS 9, where the embedded derivative significantly modifies the cash flows and separation is not prohibited.

Financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair value with gains or losses, including any interest expense are recognised in the profit or loss.

For financial liabilities where it is designated as fair value through profit or loss upon initial recognition, the Group and the Company recognise the amount of change in fair value of the financial liability that is attributable to change in credit risk in the other comprehensive income and remaining amount of the change in fair value in the profit or loss, unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch.

Notes To Financial Statements

As at 30 June 2021
cont'd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *cont'd*

(m) Financial liabilities *cont'd*

(ii) *Amortised cost*

Other financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

(n) Provisions

A provision is recognised if, as a result of a past event, the Group and the Company have a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(o) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised from equity in the period in which they are declared.

(p) Operating segments

For management purposes, the Group is organised into operating segments based on their products and services. The management of the Company regularly reviews the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in the Note 29 to the financial statements, including the factors used to identify the reportable segments and the measurement basis of segment information.

(q) Contingencies

(i) *Contingent liabilities*

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability outflow of economic benefits is remote.

(ii) *Contingent assets*

Where an inflow of economic benefits of an asset is probable where it arises from past events and where existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, the asset is not recognised in the statements of financial position but is disclosed as a contingent asset. When the inflow of benefit is virtually certain, then the related asset is recognised.

Notes To Financial Statements

As at 30 June 2021
cont'd

3. REVENUE AND OTHER INCOME

(a) Revenue

The revenue of the Group and of the Company consists of the following:

	Group		Company	
	30.06.2021	31.03.2020	30.06.2021	31.03.2020
	RM	RM	RM	RM
Sale of goods	2,636,015	1,148,599	-	-
Proceeds from sale of marketable securities	111,783,849	19,223,750	-	-
	<u>114,419,864</u>	<u>20,372,349</u>	-	-

Gain/(Loss) on disposal of marketable securities recognised in profit or loss is arrived at based on following:

	Group	
	30.06.2021	31.03.2020
	RM	RM
Proceeds from sale of marketable securities	111,783,849	19,223,750
Less: Cost of investments	(137,642,264)	(18,972,220)
(Loss)/Gain on disposal recognised in profit or loss	<u>(25,858,415)</u>	<u>251,530</u>

(b) Other operating income

	Group		Company	
	30.06.2021	31.03.2020	30.06.2021	31.03.2020
	RM	RM	RM	RM
Reversal on impairment of investment in subsidiaries	-	-	-	1,210,790
Coupon interest	-	427,162	-	-
Interest income	8,649,008	58	621,806	-
Gain on derecognition of lease liability	745,516	-	-	-
Gain change in fair value	-	242,207,243	-	-
Gain on foreign exchange:				
- Realised	-	24,758	-	24,758
- Unrealised	665,614	-	-	-
Gain on disposal of property, plant and equipment	-	41,000	-	-
Other income	2,995,033	2,648	84,960	-
	<u>13,055,171</u>	<u>242,702,869</u>	<u>706,766</u>	<u>1,235,548</u>

Notes To Financial Statements

As at 30 June 2021
cont'd

3. REVENUE AND OTHER INCOME *cont'd*

(c) Disaggregation of revenue

	Sale of goods RM	Proceeds from sale of marketable securities RM	Interest income RM	Total RM
30.06.2021				
Sale of goods	2,636,015	-	-	2,636,015
Proceeds from sale of marketable securities	-	111,783,849	-	111,783,849
	2,636,015	111,783,849	-	114,419,864
Timing of revenue recognition:				
- At a point in time	2,636,015	111,783,849	-	114,419,864
31.03.2020				
Sale of goods	1,148,599	-	-	1,148,599
Proceeds from sale of marketable securities	-	19,223,750	-	19,223,750
	1,148,599	19,223,750	-	20,372,349
Timing of revenue recognition:				
- At a point in time	1,148,599	19,223,750	-	20,372,349

4. EMPLOYEE BENEFITS EXPENSES

	Group		Company	
	30.06.2021 RM	31.03.2020 RM	30.06.2021 RM	31.03.2020 RM
Salaries and wages	2,130,484	1,347,713	1,373,342	872,623
Defined contribution plan	200,455	122,364	155,192	95,044
Other employee benefits	13,971	9,256	11,197	8,412
Equity-settled share-based payment	14,096,101	1,960,506	14,096,101	1,960,506
	16,441,011	3,439,839	15,635,832	2,936,585
Directors' remuneration:				
- fee	393,034	357,990	306,034	216,024
- salaries and other emoluments	1,577,996	921,410	731,702	916,607
	1,971,030	1,279,400	1,037,736	1,132,631
	18,412,041	4,719,239	16,673,568	4,069,216

Notes To Financial Statements

As at 30 June 2021
cont'd

5. FINANCE COST

	Group		Company	
	30.06.2021	31.03.2020	30.06.2021	31.03.2020
	RM	RM	RM	RM
Other interest	1,053,953	299,815	-	-
Interest on lease liabilities	452,778	465,017	27,796	28,675
	1,506,731	764,832	27,796	28,675

6. (LOSS)/PROFIT BEFORE TAX

	Group		Company	
	1.4.2020 to 30.6.2021	1.4.2019 to 31.3.2020	1.4.2020 to 30.6.2021	1.4.2019 to 31.3.2020
	RM	RM	RM	RM
<i>(Loss)/profit before tax is arrived after charging:</i>				
Auditors' remunerations	150,766	93,000	31,500	28,000
Bad debts written off	361,534	-	-	-
Depreciation of property, plant and equipment	609,489	625,880	58,392	236,254
Depreciation of right-of-use assets	171,179	2,122,378	171,179	136,940
Impairment loss on				
- property, plant and equipment	-	1,080,628	-	980,407
- other receivables	-	7,592,050	-	-
- deposit	-	81,750	-	-
- prepayments	153,326	-	-	-
- amount due from subsidiaries	-	-	67,742,005	-
- investment in unquoted shares	4,864,961	-	-	-
- investment in subsidiaries	-	-	4,012,899	-
Loss on foreign exchange				
- unrealised	-	346,628	-	-
Loss on change of fair value	276,339,805	709,268	106,323	-
Loss on disposal of subsidiary	605,661	-	-	-
Property, plant and equipment written off	1	-	-	-

Notes To Financial Statements

As at 30 June 2021
cont'd

7. TAX INCOME

	Group		Company	
	30.06.2021	31.03.2020	30.06.2021	31.03.2020
	RM	RM	RM	RM
Tax expenses				
- Under provision in prior years	(31,876)	-	-	-

Reconciliation of tax expense

	Group		Company	
	30.06.2021	31.03.2020	30.06.2021	31.03.2020
	RM	RM	RM	RM
Profit/(Loss) before tax	(313,711,404)	226,032,864	(91,916,110)	(1,877,486)
Tax calculated at statutory tax rate of 24%	(76,126,120)	54,247,888	(22,059,866)	450,597
Effect of tax rate in foreign jurisdictions	-	203,123	-	-
Non-deductible expenses	72,773,682	14,637,906	17,437,023	(444,655)
Non-taxable income	(443,626)	(69,156,182)	-	(5,942)
Deferred tax assets not recognised during the year	5,225,010	67,265	4,553,489	-
	77,555,066	(54,451,011)	22,059,866	(450,597)
Utilisation of current year tax losses	(1,428,946)	-	(169,624)	-
Under provision of tax expense in prior years	31,876	-	-	-
	31,876	-	-	-

The amounts of temporary differences for which no deferred tax assets have been recognised in the statement of financial position are as follows:

	Group		Company	
	30.06.2021	31.03.2020	30.06.2021	31.03.2020
	RM	RM	RM	RM
Property, plant and equipment	(556,559)	(623,097)	632	(10,704)
Unabsorbed capital allowances	4,797,738	4,689,608	2,793	-
Unutilised tax losses	26,839,175	5,242,966	18,958,743	-
	31,080,353	9,309,477	18,962,167	(10,704)

Notes To Financial Statements

As at 30 June 2021
cont'd

8. EARNINGS PER SHARE

(a) Basic earnings per ordinary share

The basic earnings per share amount is calculated by dividing the profit for the year attributable to ordinary shareholders by the number of ordinary shares in issue during the financial period.

	Group	
	30.06.2021	31.03.2020
	RM	RM
(Loss)/Profit attributable to owners of the parent	(313,681,994)	226,041,683
Weighted average number of ordinary end of financial period/year	2,252,663,409	669,522,875
Basic (loss)/earnings attributable to owners of the Company per ordinary share (sen)	(13.92)	33.76

(b) Diluted earnings/(loss) per ordinary share

	Group	
	30.06.2021	31.03.2020
	RM	RM
(Loss)/Profit attributable to owners of the parent	(313,681,994)	226,041,683
Weighted average number of ordinary shares at end of financial period/year	3,909,634,638	1,365,937,786
Diluted (loss)/earnings attributable to owners of the Company per ordinary share (sen)	(8.02)	16.55

Notes To Financial Statements

As at 30 June 2021
cont'd

9. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold Land		Leasehold Land		Factory Buildings		Computers		Furniture and fittings		Lab equipment		Motor vehicles		Office equipment		Plant and machinery		Renovation		Signboard		Asset under construction		Total		
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	
30.06.2021																											
Cost																											
At 1 April 2020	1,000,000	-	500,000	292,000	187,367	438,461	777,298	637,998	113,689	8,956,122	2,829,031	6,276	-	15,738,242													
Additions	-	5,434,230	-	-	94,274	66,669	-	30,480	-	-	-	-	21,256,598	26,882,251													
Disposal of subsidiary	-	-	-	-	(84,899)	(432,651)	-	-	-	(992,559)	-	-	-	(1,509,108)													
Written off	-	-	-	-	-	-	-	(9,288)	-	-	-	-	-	(9,288)													
At 30 June 2021	1,000,000	5,434,230	500,000	292,000	197,742	72,479	777,298	628,710	113,689	7,994,043	2,829,031	6,276	21,256,598	41,102,096													
Accumulated depreciation																											
At 1 April 2020	-	-	56,667	195,901	93,275	83,158	771,260	95,187	66,010	3,423,086	1,208,951	3,036	-	5,996,531													
Disposal of subsidiary	-	-	-	-	(15,673)	(94,957)	-	-	-	(503,402)	-	-	-	(614,032)													
Charge for the financial period	-	59,651	12,500	-	34,064	48,213	-	152,803	16,179	194,394	90,679	1,006	-	609,489													
Written off	-	-	-	-	-	-	-	(9,287)	-	-	-	-	-	(9,287)													
At 30 June 2021	-	59,651	69,167	195,901	111,666	36,414	771,260	238,703	82,189	3,114,078	1,299,630	4,042	-	5,982,701													
Accumulated impairment																											
At 1 April 2020	-	-	-	96,099	10,556	33,502	6,000	-	193	4,850,051	971,986	891	-	5,969,278													
Addition	-	-	-	-	-	-	-	-	-	-	-	-	-	-													
At 30 June 2021	-	-	-	96,099	10,556	33,502	6,000	-	193	4,850,051	971,986	891	-	5,969,278													
Translation exchanges																											
At 1 April 2020	-	-	-	-	900	21,794	-	-	-	52,752	-	-	-	75,446													
Disposal of subsidiary	-	-	-	-	(900)	(21,794)	-	-	-	(52,752)	-	-	-	(75,446)													
At 30 June 2021	-	-	-	-	-	-	-	-	-	-	-	-	-	-													
Carrying amount																											
At 30 June 2021	1,000,000	5,374,579	430,833	-	75,520	2,563	38	390,008	31,307	2,9914	557,415	1,343	21,256,598	29,150,119													

Notes To Financial Statements

As at 30 June 2021
cont'd

10. RIGHT-OF-USE ASSETS

The following table summarises the carrying amount of the Company's right-of-use asset and the movements during the year:

	Group		Company	
	30.06.2021	31.03.2020	30.06.2021	31.03.2020
	RM	RM	RM	RM
Cost				
Building				
At beginning of financial period/ year(before restated)	13,222,898	-	821,640	-
Initial application of MFRS16	-	13,222,898	-	821,640
Derecognition	(12,401,258)	-	-	-
At end of financial period/year(after restated)	821,640	13,222,898	821,640	821,640
Accumulated depreciation				
At beginning of financial period/ year(before restated)	3,707,262	-	262,468	-
Initial application of MFRS16	-	1,449,153	-	125,528
At beginning of financial period/year(after restated)	3,707,262	1,449,153	262,468	125,528
Depreciation for the financial period/year	171,179	2,122,378	171,179	136,940
Derecognition	(3,536,083)	-	-	-
Translation exchanges	-	135,731	-	-
At end of financial period/year	433,647	3,707,262	433,647	262,468
Carrying amount	387,993	9,515,636	387,993	559,172

The Company leases office and the contract term ranges from three (3) years with an extension options of renewal of contract.

11. INTANGIBLE ASSETS

	Group	
	30.06.2021	31.03.2020
	RM	RM
Goodwill, at cost		
At beginning of financial period/year	2,363,549	2,363,549
Less: impairment	(2,363,549)	(2,363,549)
At end of financial period/year	-	-

Notes To Financial Statements

As at 30 June 2021
cont'd

12. INVESTMENT IN SUBSIDIARIES

	Company	
	30.06.2021	31.03.2020
	RM	RM
<i>Unquoted shares, at cost</i>		
At 1 April	11,103,480	9,103,482
Additions	10,000,000	1,999,998
At 30 June/31 March	21,103,480	11,103,480
<i>Less: impairment</i>		
At 1 April	(7,090,155)	(8,300,945)
Addition	(4,012,898)	(2,037,154)
Reversal	-	3,247,944
At 30 June/31 March	(11,103,053)	(7,090,155)
	10,000,427	4,013,325

Details of the subsidiary companies are as follows:

Name of subsidiaries	Country of incorporation	Percentage of equity held (%)		Principal activities
		2021	2020	
Eco-Sponge Sdn. Bhd.	Malaysia	100	100	Engaged in the trading of absorbent chemical compound and other related services
Asiabio Capital Sdn. Bhd. ("ACSB")	Malaysia	100	100	Investing and trading in quoted securities and related activities
Hexa Bonanza Sdn. Bhd.	Malaysia	50	50	Contracting works for biomass technologies and manufacturing of peeled lumber
Fintec Capital Sdn. Bhd. (formerly known as Asiabio Petroleum Sdn. Bhd. ("APSB"))	Malaysia	100	100	Engage in providing inter alia general loans, micro and corporate financing services and any other credit services in relation thereto
Artisan Semesta Sdn. Bhd. ("ASSB")	Malaysia	100	100	Manufacturing and trading in agricultural and related products and supplying solar photovoltaic (PV) energy
Asiabio Builders Sdn. Bhd. ("ABSB")	Malaysia	100	100	Dormant
Fintec Ventures Sdn. Bhd.	Malaysia	100	100	Dormant
Fintec Global Limited ("FGL")*	British Virgin Islands	100	100	Investing and trading in quoted securities and related activities
Fintec Glove Sdn. Bhd. ("FGSB")	Malaysia	100	-	Manufacturing, distributing and trading of personal protective healthcare equipments
Fintec Global (HK) Limited ("Fintec Global")*	Hong Kong	100	100	Investment and trading

Notes To Financial Statements

As at 30 June 2021
cont'd

12. INVESTMENT IN SUBSIDIARIES *cont'd*

Details of the subsidiary companies are as follows:

Name of subsidiaries	Country of incorporation	Percentage of equity held (%)		Principal activities
		2021	2020	
Subsidiary company of Fintec Global :				
E99 Limited ("E99")**	Hong Kong	100	100	Trading of food and beverage, restaurant and bar.
Fintec North America LLC*	United State of America	60	-	Medical glove business.

* Not audited by CHENGCO PLT.

** Not audited by CHENGCO PLT and disposed on 27 May 2021.

13. MARKETABLE SECURITIES

	Group	
	30.06.2021	31.03.2020
	RM	RM
Non-current assets		
Quoted shares, in Malaysia	94,440,833	358,067,032
Current assets		
Quoted shares, outside Malaysia	19,127,369	27,018,834
Total marketable securities classified as fair value through profit or loss, stated at market value	113,568,202	385,085,866

The currency exposure profile of marketable securities is as follows:

	Group	
	30.06.2021	31.03.2020
	RM	RM
Ringgit Malaysia	85,491,433	358,067,032
Australian Dollar	28,076,769	27,018,834
	113,568,202	385,085,866

Notes To Financial Statements

As at 30 June 2021
cont'd

14. INVENTORIES

	Group	
	30.06.2021	31.03.2020
	RM	RM
At Cost		
Beverage	2,004,380	2,004,380
Nitrile glove	1,094,532	-
	3,098,912	2,004,380

15. TRADE RECEIVABLES

The Group's normal trade credit terms range from 30 days (2020: 30 days). Other credit terms are assessed and approved on a case-by-case basis.

	Group	
	30.06.2021	31.03.2020
	RM	RM
Trade receivables	4,993,668	6,139,348
Less: impairment losses	-	(26,300)
	4,993,668	6,113,048

Movements of the accumulated impairment losses (individually impaired):

	Group	
	30.06.2021	31.03.2020
	RM	RM
At 1 April	26,300	3,036,930
Reversal of impairment loss on receivables	(26,300)	(3,028,220)
Written off	-	(8,710)
Addition	-	26,300
At 30 June/31 March	-	26,300

Notes To Financial Statements

As at 30 June 2021
cont'd

16. NON-TRADE RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	30.06.2021	31.03.2020	30.06.2021	31.03.2020
	RM	RM	RM	RM
Non-trade receivables	3,455,932	4,983,748	771,713	601,143
Less: Impairment				
At 1 April	(3,069,753)	(2,498,400)	(532,267)	-
Addition	-	(571,353)	-	(532,267)
At 30 June/31 March		(3,069,753)	(532,267)	(532,267)
	386,179	1,913,995	239,446	68,876
Deposits	22,893,337	6,303,703	111,095	2,111,095
Less: Impairment				
At 1 April	(359,310)	(277,560)	-	-
Addition	-	(81,750)	-	-
At 30 June/31 March	(359,310)	(359,310)	-	-
	22,534,027	5,944,393	111,095	2,111,095
Advance for subscription of share	-	7,592,050	-	-
Less: Impairment				
At 1 April	(7,592,050)	-	-	-
(Addition)/reversal	7,592,050	(7,592,050)	-	-
At 30 June/31 March	-	(7,592,050)	-	-
	-	-	-	-
Prepayments	1,142,556	8,281,490	183,480	6,296,477
Less: Impairment				
At 1 April	-	-	-	-
Addition	(153,326)	-	-	-
At 30 June/31 March	(153,326)	-	-	-
	989,230	8,281,490	183,480	6,296,477
At 30 June/31 March	23,909,436	16,139,878	534,021	8,476,448

Notes To Financial Statements

As at 30 June 2021
cont'd

17. AMOUNT DUE FROM/TO SUBSIDIARIES

	Company	
	30.06.2021	31.03.2020
	RM	RM
Amount due from subsidiaries	244,601,972	152,618,210
Less: Impairment		
At 1 April	(132,389,284)	(140,517,722)
Additional	(67,742,005)	(2,307,315)
Reversal	-	10,435,753
30 June/31 March	(200,131,289)	(132,389,284)
Less: Bad debt written off		
At 1 April	-	-
Additional	(361,534)	-
Reversal	-	-
30 June/31 March	(361,534)	-
	44,109,149	20,228,926

The amount due from/to subsidiaries represented non-trade, unsecured, interest-free advances and is recoverable/repayable on demand.

18. INVESTMENT IN UNQUOTED SHARES

	Group		Company	
	30.06.2021	31.03.2020	30.06.2021	31.03.2020
	RM	RM	RM	RM
Unquoted shares, at cost				
At 1 April	11,922,594	14,422,594	6,223,341	6,223,341
(Redemption)/Addition	15,630,653	(2,500,000)	-	-
At 30 June/31 March	27,553,247	11,922,594	6,223,341	6,223,341
Less: Impairment				
At 1 April	(11,922,594)	(11,922,594)	(6,223,341)	(6,223,341)
(Addition)/reversal	(4,864,961)	-	-	-
30 June/31 March	(16,787,555)	(11,922,594)	-	-
Net carrying amount				
At 30 June/31 March	10,765,692	-	-	-

Notes To Financial Statements

As at 30 June 2021
cont'd

19. SHORT TERM INVESTMENT

	Group and Company	
	30.06.2021	31.03.2020
	RM	RM
Fair value through profit or loss		
Current		
Money market funds	90,515,482	-

Highly liquid money market fund, which is readily convertible to known amounts of cash and is subject to an insignificant risk of changes in value.

20. DEPOSITS WITH LICENSED FINANCIAL INSTITUTIONS

	Group		Company	
	30.06.2021	31.03.2020	30.06.2021	31.03.2020
	RM	RM	RM	RM
United States Dollar	-	19,852,759	-	-

The Group's deposits with financial institutions at the end of the financial period earn interest Nil (31.03.2020: 4.1%) per annum.

21. SHARE CAPITAL

	Group and Company			
	30.06.2021	31.03.2020	30.06.2021	31.03.2020
	Number of Ordinary Shares		RM	RM
Issued share capital				
At 1 April	814,301,805	611,005,122	119,038,461	96,058,092
- Pursuant to exercise of SIS	701,452,600	104,970,900	51,918,603	7,248,243
- Pursuant to exercise of ESOS	500,000,000	-	19,350,000	-
- Pursuant to conversion of ICPS	132,889,430	98,325,783	20,258,089	15,732,126
- Pursuant to Private Placement	364,254,000	-	21,264,609	-
- Pursuant to Rights Issue with Warrants	1,432,718,739	-	114,617,499	-
- Pursuant to exercise of Warrants C	48,000	-	5,302	-
- Share-based payment	-	-	14,096,101	-
- Creation of Warrants C reserves	-	-	(34,908,271)	-
At 30 June/31 March	3,945,664,574	814,301,805	325,640,393	119,038,461

In the previous financial year ended 31 March 2020, the Company had:

- increased its issued share capital by issuance of 104,970,900 new ordinary shares at issue price of ranging from RM0.04 to RM0.055 per ordinary share, pursuant to the Company's Share Issuance Scheme.
- increased its issued share capital by issuance of 98,325,783 new ordinary shares pursuant to the conversion of 196,651,566 ICPS.

Notes To Financial Statements

As at 30 June 2021
cont'd

21. SHARE CAPITAL *cont'd*

During the financial period ended 30 June 2021, the Company had:

- increased its issued share capital by issuance of 701,452,600 new ordinary shares at issue price of ranging from RM0.028 to RM0.093 per ordinary share, pursuant to the Company's Share Issuance Scheme.
- increased its issued share capital by issuance of 500,000,000 new ordinary shares at issue price of ranging from RM0.033 to RM0.055 per ordinary share, pursuant to the Company's Employees' Share Option Scheme.
- increased its issued share capital by issuance of 132,889,430 new ordinary shares pursuant to the conversion of 250,927,943 ICPS.
- increased its issued share capital by issuance of 364,254,000 new ordinary shares pursuant to the Private Placement.
- increased its issued share capital by issuance of 1,432,718,739 new ordinary shares pursuant to the Rights Issue with Warrants.
- increased its issued share capital by issuance of 48,000 new ordinary shares pursuant to the exercise of Warrants C.

The newly issued shares rank *pari passu* in all respects with the previously issued shares.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regards to the Company's residual assets.

22. IRREDEEMABLE CONVERTIBLE PREFERENCE SHARE ("ICPS")

	Group and Company			
	30.06.2021	31.03.2020	30.06.2021	31.03.2020
	Number of ICPS		RM	RM
ICPS of RM0.08 each				
Issued ICPS				
At 1 April	475,236,078	671,887,644	27,443,314	43,175,440
Conversion of ICPS to ordinary shares	(250,927,943)	(196,651,566)	(20,074,235)	(15,732,126)
At 30 June/31 March	224,308,135	475,236,078	7,369,079	27,443,314

On 11 December 2017, the Company listed and quoted of 899,284,472 new ICPS in the Company at an issue price of RM0.08 per ICPS and 89,928,341 free detachable Warrants B on the basis of ten (10) ICPS together with one (1) free Warrants B for every Five (5) existing ordinary shares of the Company.

The salient features of the ICPS are as follows:

- The ICPS holders will have the right to convert the ICPS into the Company's new ordinary shares at a conversion price of RM0.16 during the ten (10)-year period expiring on 4 December 2027 ("Exercise Period");
- At the expiry of the Exercise Period, any ICPS which have not been converted shall be automatically converted into new fully-paid ordinary Shares at the conversion price;
- The holders of ICPS shall not be entitled to be paid with any dividends;
- Conversion of ICPS into new ordinary shares at the conversion price in the following manner:-

Notes To Financial Statements

As at 30 June 2021
cont'd

22. IRREDEEMABLE CONVERTIBLE PREFERENCE SHARE ("ICPS") *cont'd*

The salient features of the ICPS are as follows: *cont'd*

- (e) The conversion shares shall rank *pari passu* in all respects with the then existing shares of the Company except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of conversion of the ICPS; and
- (i) By surrendering for cancellation the ICPS with an aggregate issue price of the ICPS equivalent to the Conversion Price, subject to a minimum of 1 ICPS and a maximum of 2 ICPS for every one (1) new ordinary share; and
- (ii) By paying the difference between the aggregate issue price of ICPS surrendered and the Conversion Price, if any, in cash, for every 1 new ordinary share;
- (f) The ICPS holders shall not be entitled to voting rights except where the rights of ICPS holders are affected or on a resolution for the winding up of the Company.

23. RESERVE

	Group		Company	
	30.06.2021	31.03.2020	30.06.2021	31.03.2020
	RM	RM	RM	RM
Non-distributable:				
Warrant reserve	45,810,526	10,903,717	45,810,526	10,903,717
Distributable				
Foreign exchange translation	(206,884)	237,619	-	-
Retained profits/(Accumulated losses)	(89,009,076)	224,672,918	(229,280,263)	(137,364,153)
	(43,405,434)	235,814,254	(183,469,737)	(126,460,436)

Companies Act 2016 ("Act") which become effective from 31 January 2017 abolished the concept of authorised share capital and par value of share capital. The share premium amount can be utilised for purposes as set out in Section 618(3) of the Act within 24 months upon commencement of the Act. Pursuant to the aforesaid, the Company utilised RM743,545 from share premium account for share issuance expenses in the previous financial year. Share premium of RM554,709 was transferred to share capital account and formed part of the share capital of the Company upon expiry of the 24 months transition period on 31 January 2019.

Warrant reserve

The Warrants reserve is in respect of the fair value for free warrants issued pursuant to the Right Issue. Fair value of the Warrants A, Warrants B and Warrants C are RM0.00085, RM0.1176 and RM0.0305 respectively.

Notes To Financial Statements

As at 30 June 2021
cont'd

24. LEASE LIABILITIES

The following table summarises the carrying amount of the Company's right-of-use asset and the movements during the year:

	Group		Company	
	30.06.2021	31.03.2020	30.06.2021	31.03.2020
	RM	RM	RM	RM
Representing:				
Current	152,327	551,344	152,327	97,104
Non-Current	262,647	9,322,493	262,647	485,149
	414,974	9,873,837	414,974	582,253
Recognised in profit or loss				
Interest expense on lease liabilities	452,778	465,017	27,796	28,675

25. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 60 to 90 days (31.03.2020: 60 to 90 days).

26. NON-TRADE PAYABLES AND ACCRUALS

	Group		Company	
	30.06.2021	31.03.2020	30.06.2021	31.03.2020
	RM	RM	RM	RM
Non-trade payables	169,295	1,761,882	72,217	44,665
Deposits received	5,481,982	15,737,989	-	-
Accruals	473,410	367,277	80,759	98,472
	6,124,687	17,867,148	152,976	143,137

27. BORROWING

	Group		Company	
	30.06.2021	31.03.2020	30.06.2021	31.03.2020
	RM	RM	RM	RM
Short term borrowing	-	28,829,530	-	-

The short term borrowing's effective interest rate stood at Nil (31.03.2020: 3%) per annum.

Notes To Financial Statements

As at 30 June 2021
cont'd

28. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Identities of related parties

Parties are considered to be related to the Group, if the Group 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 Group and the party are subject to common control or common significant influence. Related parties could be individuals or other parties.

Related parties of the Group include:

- (i) Direct and indirect subsidiaries as disclosed in Note 11 to the financial statements;
- (ii) Key management personnel, which comprises persons (including the Directors of the Group) having authority and responsibility for planning, deciding and controlling the activities of the Group directly or indirectly; and
- (iii) Entities in which certain Directors, who are also the substantial shareholders of the parent, have substantial shareholding interests.

(b) Compensation of Key Management Personnel

	Group		Company	
	30.06.2021	31.03.2020	30.06.2021	31.03.2020
	RM	RM	RM	RM
Executive Directors:-				
- salaries and other emoluments	1,428,130	802,803	627,000	798,000
Non-executive Directors:-				
- other emoluments	28,000	21,000	28,000	21,000
- fees	393,034	357,990	306,034	216,024
	1,849,164	1,181,793	961,034	1,035,024
Executive Directors:-				
- defined contribution plan	121,866	97,607	76,702	97,607
	1,971,030	1,279,400	1,037,736	1,132,631

Notes To Financial Statements

As at 30 June 2021
cont'd

29. OPERATING SEGMENTS

(a) Business segments

The Group is organised into five major business segments in the current year:

- (i) Technology incubation
- (ii) Portfolio investment
- (iii) Biotechnology products
- (iv) Financial services
- (v) Glove business

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss for the financial period, in certain respects as set out below, is measured differently from operating profit or loss in the consolidated financial statements.

Group	Technology incubation	Portfolio investment	Biotechnology products	Financial services	Trading	Total
30.06.2021	RM	RM	RM	RM	RM	RM
Revenue						
Sales to external customers	-	111,783,849	146,350	-	2,489,665	114,419,864
Results						
Segment results	-	(290,855,032)	(581,980)	1,673,183	(2,626,576)	(292,390,405)
Interest expenses	-	(1,080,281)	-	-	-	(1,080,281)
Net unallocated expenses	-	-	-	-	-	(20,240,718)
Profit before taxation	-	(291,935,313)	(581,980)	1,673,183	(2,626,576)	(313,711,404)
Income tax expense	-	-	-	-	(31,876)	(31,876)
Profit for the year	-	(291,935,313)	(581,980)	1,673,183	(2,658,452)	(313,743,280)
Assets						
Segment assets	107,255,106	129,171,083	415,965	2,240,943	55,626,767	294,709,864
Unallocated assets	-	-	-	-	-	1,435,210
Total assets	107,255,106	129,171,083	415,965	2,240,943	55,626,767	296,145,074
Liabilities						
Segment liabilities	561,450	62,526	286,349	931,698	1,174,971	3,016,994
Unallocated liabilities	-	-	-	-	-	5,266,442
Total liabilities	561,450	62,526	286,349	931,698	1,174,971	8,283,436
30.06.2021						
Other information						
Capital expenditure	32,686	-	36,028	-	122,804	191,518
Depreciation of property, plant and equipment	58,392	-	2,635	-	548,462	609,489
Depreciation of right of use assets	171,179	-	-	-	-	171,179
Impairment loss/reversal on						
- trade and non-trade receivables	-	-	-	-	153,326	153,326
- unquoted shares	-	4,864,961	-	-	-	4,864,961
Bad debt written off	361,534	-	-	-	-	361,534
Fair value loss on marketable securities	-	276,339,805	-	-	-	276,339,805

Notes To Financial Statements

As at 30 June 2021
cont'd

29. OPERATING SEGMENTS *cont'd*

(a) Business segments *cont'd*

Group	Technology incubation	Portfolio investment	Biotechnology products	Oil & gas services	Trading	Total
31.03.2020	RM	RM	RM	RM	RM	RM
Revenue						
Sales to external customers	-	19,468,250	-	-	904,099	20,372,349
Results						
Segment results	-	234,093,701	(303,978)	2,946,855	(2,708,312)	234,028,266
Interest expenses	(28,675)	(293,620)	-	-	(442,537)	(764,832)
Net unallocated expenses	-	-	-	-	-	(7,230,570)
Profit before taxation	(28,675)	233,800,081	(303,978)	2,946,855	(3,150,849)	226,032,864
Income tax expense	-	-	-	-	-	-
Profit for the year	(28,675)	233,800,081	(303,978)	2,946,855	(3,150,849)	226,032,864
Assets						
Segment assets	3,342,812	416,428,148	9,209,828	280,635	13,756,439	443,112,549
Unallocated assets	-	-	-	-	-	374,452
Total assets	3,342,812	416,428,148	9,209,828	280,635	4,799,975	443,487,001
Liabilities						
Segment liabilities	60,212,956	1,543,915	104,462	816,160	194,593	62,872,086
Unallocated liabilities	-	-	-	-	-	-
Total liabilities	60,212,956	1,543,915	104,462	816,160	194,593	62,872,086
Other information						
Capital expenditure	70,334	-	-	-	638,934	709,268
Depreciation of property, plant and equipment	236,254	876	16,170	1,326	371,254	625,880
Depreciation of right of use assets	136,940	-	-	-	1,985,438	2,122,378
Impairment loss/reversal on						
- trade and non-trade receivables	532,267	-	326,598	(3,207,682)	-	(2,348,817)
- unquoted shares	-	7,592,050	-	-	-	7,592,050
property, plant and equipment	980,408	-	92,050	8,170	-	1,080,628
Fair value loss on marketable securities	70,334	-	-	-	638,934	709,268

Notes To Financial Statements

As at 30 June 2021
cont'd

30. FINANCIAL INSTRUMENTS

Categories of financial instruments

The table below provides an analysis of the categories of financial instruments categorised as follows:

- (a) Financial assets and liabilities measured at fair value through profit or loss ("FVTPL"); and
(b) Financial assets and liabilities measured at amortised cost ("AC").

Group	Carrying a mount RM	FVTPL RM	AC RM
30.06.2021			
Financial assets			
Marketable securities	113,568,202	113,568,202	-
Trade receivables	4,993,668	-	4,993,668
Non-trade receivables, deposits (excluding prepayments)	22,920,206	-	22,920,206
Short term investment	90,515,482	90,515,482	-
Cash and bank balances	19,480,989	-	19,480,989
	251,478,547	204,083,684	47,394,863
Financial liabilities			
Lease liabilities	414,974	-	414,974
Trade payables	1,743,775	-	1,743,775
Non-trade payables and accruals	6,124,687	-	6,124,687
	8,283,436	-	8,283,436

The table below provides an analysis of the categories of financial instruments categorised as follows:

Financial assets and liabilities measured at amortised cost ("AC").

Company	Carrying amount RM	FVTPL RM	AC RM
30.06.2021			
Financial assets			
Non-trade receivables, deposits (excluding prepayments)	350,541	-	350,541
Amount due from subsidiaries	44,109,149	-	44,109,149
Short term investment	90,515,482	90,515,482	-
Cash and bank balances	14,269,803	-	14,269,803
	149,244,975	90,515,482	58,729,493
Financial liabilities			
Lease liability	414,974	-	414,974
Non-trade payables and accruals	152,976	-	152,976
Amount due to subsidiaries	11,256,595	-	11,256,595
	11,824,545	-	11,824,545

Notes To Financial Statements

As at 30 June 2021
cont'd

30. FINANCIAL INSTRUMENTS *cont'd*

Categories of financial instruments *cont'd*

The table below provides an analysis of the categories of financial instruments categorised as follows:

- (a) Financial assets and liabilities measured at fair value through profit or loss ("FVTPL"); and
(b) Financial assets and liabilities measured at amortised cost ("AC").

Group	Carrying amount RM	FVTPL RM	AC RM
31.03.2020			
Financial assets			
Marketable securities	385,085,866	385,085,866	-
Trade receivables	6,113,048	-	6,113,048
Non-trade receivables, deposits (excluding prepayments)	7,858,388	-	7,858,388
Deposits with financial institutions	19,852,759	-	19,852,759
Cash and bank balances	553,102	-	553,102
	419,463,163	385,085,866	34,377,297
Financial liabilities			
Lease liabilities	9,873,837	-	9,873,837
Trade payables	6,301,571	-	6,301,571
Non-trade payables and accruals	17,867,148	-	17,867,148
Borrowings	28,829,530	-	28,829,530
	62,872,086	-	62,872,086
Company			
31.03.2020			
Financial assets			
Non-trade receivables, deposits (excluding prepayments)		2,179,971	2,179,971
Amount due from subsidiaries		20,228,926	20,228,926
Cash and bank balances		401,729	401,729
		22,810,626	22,810,626
Financial liabilities			
Lease liability		582,253	582,253
Non-trade payables and accruals		143,137	143,137
Amount due to subsidiaries		14,505,982	14,505,982
		15,231,372	15,231,372

Notes To Financial Statements

As at 30 June 2021
cont'd

30. FINANCIAL INSTRUMENTS *cont'd*

Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, interest rate risk, market risk and liquidity risk.

The Group's and the Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's and of the Company's businesses whilst managing its credit risk, market risk, interest rate risk, and liquidity risk.

The following sections provide details regarding the Group's and the Company's exposure to the above mentioned financial risks and the objectives, policies and processes for the management of these risks.

Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's and the Company's exposure to credit risk arises principally from the individual characteristics of each customer.

Trade receivables

At each reporting date, the Group and the Company assess whether any of the trade receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous year.

Credit risk concentration profile

The Group's major concentration of credit risk relates to the amounts owing by 4 major broker which constituted approximately 100% (31.03.2020: 100%) of its trade receivables as at the end of the reporting period.

Exposure to credit risk

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets as at the end of the reporting period.

Notes To Financial Statements

As at 30 June 2021
cont'd

30. FINANCIAL INSTRUMENTS *cont'd*

Trade receivables *cont'd*

Recognition and measurement of impairment loss

The Company uses a provision matrix to measure ECLs of trade receivables.

Loss rates are based on actual credit loss experience over the past three (3) years. The Company also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Company's view of economic conditions over the expected lives of the receivables. Nevertheless, the Company believes that these factors are immaterial for the purpose of impairment calculation for the financial period.

Ageing analysis

The ageing analysis of the Group trade receivables, as at reporting date is as follows:

Group	Gross carrying amount RM	Credit impaired RM	Carrying amount RM
30.06.2021			
Not past due	4,914,623	-	4,914,623
Past due:			
- less than 3 months	-	-	-
- more than 3 months	79,045	-	79,045
	4,993,668	-	4,993,668
31.03.2020			
Not past due	6,113,048	-	6,113,048
Past due:			
- less than 3 months	-	-	-
- more than 3 months	26,300	(26,300)	-
	6,139,348	(26,300)	6,113,048

Notes To Financial Statements

As at 30 June 2021
cont'd

30. FINANCIAL INSTRUMENTS *cont'd*

Credit risk *cont'd*

Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

As at the end of the reporting period, the Group and the Company did not recognised any allowance for impairment losses.

Deposits

Credit risks on deposits are mainly arising from deposits paid for office buildings rented. These deposits will be refunded at the end of each lease terms. The Company manages the credit risk together with the leasing arrangement.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

As at the end of the reporting period, the Group and the Company did not recognised any allowance for impairment losses.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's financial position or cash flows.

Interest rate risk

The Group's and the Company's primary interest rate risk relates to interest earning from deposits with licensed banks from financial institutions.

Group	Effective interest rate per annum %	Within one year	Total RM
30.06.2021			
Financial asset			
Short term investment	-	90,515,482	90,515,482
Financial liabilities			
Borrowings	-	-	-
31.03.2020			
Financial asset			
Deposits with licensed banks	-	19,852,759	19,852,759
Financial liabilities			
Borrowings	3.0	28,829,530	28,829,530

Notes To Financial Statements

As at 30 June 2021
cont'd

30. FINANCIAL INSTRUMENTS *cont'd*

Interest rate risk *cont'd*

Interest rate risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates as at the end of the reporting period, with all other variables held constant:

	Group	
	30.06.2021	31.03.2020
	Increase/ (Decrease)	Increase/ (Decrease)
	RM	RM
Effects on profit after taxation		
Increase of 10 basis points ("bp")	68,792	36,998
Decrease of 10 basis points ("bp")	(68,792)	(36,998)

Liquidity risk

The Group and the Company monitor and maintain a level of cash and cash equivalents deemed adequate by management to finance the Group's and the Company's operations and to mitigate the effects of fluctuations in cash flows.

Maturity analysis

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities as at reporting date based on undiscounted contractual payments:

Group	Carrying amount RM	Contractual interest rate	Contractual cash flows RM	Within 1 year RM	After 1 year RM
30.06.2021					
Lease liabilities	414,974	4.4	414,974	152,327	262,647
Trade payables	1,743,775	-	1,743,775	1,743,775	-
Non-trade payables and accruals	6,124,687	-	6,124,687	6,124,687	-
	<u>8,283,436</u>		<u>8,283,436</u>	<u>8,020,789</u>	<u>262,647</u>
31.03.2020					
Lease liabilities	9,873,837	4.4	11,740,058	205,289	7,740,410
Trade payables	6,301,571	-	6,301,571	6,301,571	-
Non-trade payables and accruals	17,867,148	-	17,867,148	17,867,148	-
Borrowings	28,829,530	3.0	28,829,530	28,829,530	-
	<u>62,872,086</u>		<u>64,738,307</u>	<u>53,203,538</u>	<u>7,740,410</u>

Notes To Financial Statements

As at 30 June 2021

cont'd

30. FINANCIAL INSTRUMENTS *cont'd*

Maturity analysis *cont'd*

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities as at reporting date based on undiscounted contractual payments: *cont'd*

Company	Carrying amount RM	Contractual interest rate	Contractual cash flows RM	Within 1 year RM	After 1 year RM
30.06.2021					
Lease liability	414,974	4.4	414,974	152,327	262,647
Non-trade payables and accruals	152,976	-	152,976	152,976	-
Amount due to subsidiaries	11,256,595	-	11,256,595	11,256,595	-
	11,824,545		11,824,545	11,561,898	262,647
31.03.2020					
Lease liability	582,253	4.4	692,237	28,453	426,416
Non-trade payables and accruals	143,137	-	143,137	143,137	-
Amount due to subsidiaries	14,505,982	-	14,505,982	14,505,982	-
	15,231,372		15,341,356	14,677,572	426,416

Foreign currency risk

Foreign currency risk is the risk of fluctuation in fair value or future cash flows of a financial instrument as a result of changes in foreign exchange rates. The Group's and the Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's and the Company's operating activities (when sales, purchases and borrowings that are denominated in a foreign currency).

The Group's and the Company's unhedged financial assets and liabilities that are not denominated in their functional currencies are as follows:

	Group and Company	
	30.06.2021	31.03.2020
	Australian Dollar	Australian Dollar
	RM	RM
Balances recognised in the statement of financial position		
Marketable securities	28,076,769	27,018,834

Notes To Financial Statements

As at 30 June 2021
cont'd

30. FINANCIAL INSTRUMENTS *cont'd*

Foreign currency risk *cont'd*

Sensitivity analysis for foreign currency risk

The Company's principal foreign currency exposure relates mainly to Australia Dollar ("AUD").

The following table demonstrates the sensitivity to a reasonably possible change in the AUD, with all other variables held constant on the Group's and the Company's total equity and profit for the financial period.

	Change in basis point	Effect in profit for the financial year RM	Effect on equity RM
30 June 2021	+ 10	2,133,834	2,133,834
	- 10	(2,133,834)	(2,133,834)
31 March 2020	+ 10	2,053,431	2,053,431
	- 10	(2,053,431)	(2,053,431)

Fair values

The financial assets maturing within the next 12 months approximated fair values due to the relatively short-term maturity of the financial instruments except for amount due from/(to) subsidiaries as it is not practical to estimate the fair value to principally to a lack a of fixed repayment term entered by the parties involved and without incurring excessive costs. The directors are at the opinion that the carrying amounts recorded at the balance sheet date do no differ significantly from the values that would eventually be recovered.

Fair value hierarchy

The table below analyses financial instrument carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Group	30.06.2021 RM	31.03.2020 RM
<u>Level 1</u>		
Short term investment	90,515,482	-
Marketable securities	113,568,202	385,085,866

The Group does not have any financial liabilities carried at fair value nor any financial instruments classified as Level 2 and Level 2 as at 30 June 2021.

Notes To Financial Statements

As at 30 June 2021
cont'd

31. CAPITAL COMMITMENTS

	Group	
	30.6.2021	31.3.2020
	RM	RM
Capital expenditures approved by the directors:		
- Contracted for	67,239,119	-

32. SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

- (a) On 17 February 2020, FINTEC announced that the Company proposes to undertake the private placement of up to 235,481,000 new ordinary shares in Fintec ("**Fintec Shares**" or "**Shares**"), representing up to 30% of the total number of issued shares of Fintec, to independent third party investors to be identified later, at an issue price to be determined later ("Placement Shares") ("Proposed Private Placement").

On 6 March 2020, Bursa Securities has, vide its letter dated 6 March 2020, approved the listing and quotation of up to 235,481,000 Placement Shares to be issued pursuant to the Proposed Private Placement.

On 27 March 2020, FINTEC announced that in view of the 14 days Movement Control Order from 18 March 2020 to 31 March 2020, announced by the Government of Malaysia, the Board of the Company wishes to inform that the Extraordinary General Meeting shall be deferred to a later date which will be announced in due course.

On 23 April 2020, FINTEC announced that the Proposed Private Placement has been aborted.

- (b) On 15 April 2020, FINTEC announced that the Company proposes to undertake the Private Placement of up to 82,110,000 new ordinary shares in Fintec, representing 10% of the total number of issued shares of Fintec, to independent third party investors to be identified later, at an issue price to be determined later ("Placement Shares") ("10% Proposed Private Placement").

On 23 April 2020, Bursa Securities has, vide its letter dated 23 April 2020, approved the listing and quotation of up to 82,110,000 Placement Shares to be issued pursuant to the 10% Proposed Private Placement.

On 4 May 2020, FINTEC announced that the 10% Proposed Private Placement has been completed.

- (c) On 14 May 2020, FINTEC announced that the Company proposes to undertake the Private Placement of up to 282,144,000 of new ordinary shares in Fintec, representing 30% of the total number of issued shares, to independent third party investors to be identified later, at an issue price to be determined later ("Placement Shares") ("30% Proposed Private Placement").

On 1 June 2020, Bursa Securities has vide its letter dated 1 June 2020, approved the listing and quotation of up to 282,144,000 Placement Shares to be issued pursuant to the 30% Proposed Private Placement.

On 15 July 2020, FINTEC announced that the 30% Proposed Private Placement has been completed.

- (d) On 2 June 2020, the wholly-owned subsidiary of FINTEC in British Virgin Islands, Fintec Global Limited ("FGL"), has initiated and commenced legal proceedings at the High Court of Malaya in Kuala Lumpur against Galaxy Group Sdn. Bhd. ("Galaxy"), in relation to the dispute arising from the Share Subscription Agreement ("SSA") on the subscription of Redeemable Convertible Preference Shares ("RCPS") in Galaxy dated 17 August 2018 and 11 September 2018 respectively. The estimation of the total claim is approximately RM5,456,000, excluding disbursements, interest and costs of legal proceedings.

- (e) On 25 June 2020, FINTEC has extended the existing SIS which will expire on 28 July 2020 for a further five (5) years to 28 July 2025.

Notes To Financial Statements

As at 30 June 2021
cont'd

32. SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD *cont'd*

- (f) On 25 June 2020, the wholly-owned subsidiary of FINTEC in British Virgin Islands, Fintec Global Limited ("FGL"), has initiated and commenced legal proceedings at the High Court of Malaya at Kuala Lumpur against Pinnacle Nexus Sdn. Bhd. ("Pinnacle"), in relation to the dispute arising from the Share Sale Agreement ("SSA") on the subscription of RCPS in Pinnacle dated 18 December 2018. The estimation of the total claim is approximately RM15,459,231, excluding disbursements, interest and costs of legal proceedings.

On 30 July 2020, FINTEC announced that FGL has entered into a Settlement Agreement with Pinnacle, its directors and its guarantor, Euphoria Venture Limited ("EVL"), to settle the dispute arising from the SSA.

On 5 August 2020, EVL has transferred 4,800,000 unencumbered ordinary shares held in CLI Investment Limited ("CLI") to FGL, representing 40% equity interest in CLI, for a total consideration of RM15,549,231, via the settlement on the litigation proceedings against Pinnacle and 2 others.

- (g) On 10 August 2020, FINTEC vide its wholly-owned subsidiary, Asiabio Capital Sdn. Bhd. ("ABC"), that is principally involved in the trading of marketable securities had acquired in aggregate 21.51% or 31,543,277 ordinary shares of Saudee Group Berhad ("Saudee") for an aggregate sum of RM12,617,310.80 in cash through Direct Business Transaction. Saudee is principally engaged in the business of manufacturing and sale of food products.

- (h) On 28 August 2020, FINTEC had incorporated a private limited company in Malaysia in the name of Fintec Glove Sdn. Bhd. ("Fintec Glove"), with the issued and paid-up capital of RM1 divided into 1 ordinary share of RM1 each held by FINTEC. Fintec Glove is principally engaged in the business of manufacturing, distributing and trading of personal protective healthcare equipments.

- (i) On 4 September 2020, FINTEC had proposed to undertake (i) Proposed diversification of the business of FINTEC (ii) Proposed renounceable rights issue of up to 2,002,820,441 new ordinary shares together with up to 1,602,256,352 free detachable warrants in the Company ("Warrants C") on the basis of 5 Rights Shares together with 4 Warrants C for every 5 existing Shares ("Proposed Rights Issue with Warrants") (iii) Proposed establishment of a new ESOS involving up to 30% of the total number of issued shares for eligible directors and employees.

On 29 September 2020, Bursa Securities has approved on the listing and quotation of the 2,002,820,441 rights shares and the 1,602,256,352 Warrants C.

On 28 December 2020, FINTEC announced that the Proposed Rights Issue with Warrants has been completed.

- (j) On 2 December 2020, Asiabio Capital Sdn. Bhd. ("ABC"), a wholly-owned subsidiary of FINTEC, has subscribed in aggregate 25.05% or 512,099,792 ICPS with 768,149,688 free detachable Warrants D of Focus Dynamics Group Berhad ("the free detachable Warrants") for an aggregate sum of RM28.16 million in cash via the Rights Issue of ICPS with Warrants of Focus at an issue price of RM0.055 per ICPS. On 21 December 2020, ABC had disposed the free detachable Warrants for an aggregate sum of RM26.74 million in cash through open market.

- (k) On 20 January 2021, Fintec Glove Sdn. Bhd. ("Fintec Glove"), had entered into a Memorandum of Agreement ("MOA") with ROBAYU Corporation sp. z o.o. from Poland ("Robayu") (collectively referred to as "the Parties") to spearhead its sales and distribution of medical grade nitrile examination gloves in Warsaw, Poland and Eastern Europe. Fintec Glove shall appoint Robayu as the official agent and exclusive distributor for Fintec Glove's medical grade nitrile examination gloves in Poland and Eastern Europe through a formal Sales & Purchase Agreement to be signed by both Parties at a later stage.

On 30 June 2021, the Parties had mutually agreed to extend the duration of the MOA for another 3 months, i.e. from 20 July 2021 to 19 October 2021, pursuant to the terms and conditions of the MOA.

- (l) On 27 January 2021, Fintec Glove Sdn. Bhd., a wholly-owned subsidiary of the Company, had granted a letter of award to Pasukhas Sdn. Bhd. for the design and build construction of its glove manufacturing plant with projected construction value of RM60 million.

- (m) On 23 March 2021, Eco-Sponge Sdn. Bhd., had entered into a Collaboration Agreement with Ace Edible Oil Industries Sdn. Bhd., a wholly-owned subsidiary of Green Ocean Corporation Berhad, to supply biodiesel and biofuel related products to the end customers in Malaysia and any other countries mutually agreed by the Parties from time to time. The Collaboration Agreement shall be effective for a period of 5 years.

Notes To Financial Statements

As at 30 June 2021
cont'd

32. SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD *cont'd*

- (n) On 27 May 2021, a wholly-owned subsidiary of Fintec, Fintec Global (HK) Limited has disposed its wholly-owned subsidiary, E99 Limited, to Wong Kwong Sum, for a total consideration of HKD1.

	27.5.2021 HKD
Property, plant and equipment	1,674,455
Right-of-use assets	3,346,663
Trade and other receivables	344,819
Cash at bank and in hand	233,207
Trade and other payables	(546,125)
Amounts due to ultimate holding company	(627,304)
Lease liabilities	(3,395,565)
Net assets of E99 Limited	1,030,150
Loss on disposal	(1,030,149)
Total consideration	<u>1</u>

- (o) During the financial period, the Company has listed 701,452,600 new ordinary shares pursuant to SIS from 13 April 2020 to 18 March 2021. The newly issued shares rank pari passu in all respects with the previously issued shares.
- (p) During the financial period, the Company has listed 500,000,000 new ordinary shares pursuant to ESOS from 5 May 2021 to 22 June 2021. The newly issued shares rank pari passu in all respects with the previously issued shares.
- (q) During the financial period, the Company has listed 132,880,431 new ordinary shares pursuant to conversion of 250,927,943 ICPS from 20 April 2020 to 20 April 2021. The newly issued shares rank pari passu in all respects with the previously issued shares.
- (r) During the financial period, the Company has listed 1,432,718,739 new ordinary shares pursuant to Rights Issue with Warrants. The newly issued shares rank pari passu in all respects with the previously issued shares.
- (s) During the financial period, the Company has listed 48,000 new ordinary shares pursuant to exercise of Warrants C. The newly issued shares rank pari passu in all respects with the previously issued shares.
- (t) On 11 March 2020, the World Health Organisation declared the Coronavirus ("COVID-19") outbreak as a pandemic in recognition of its rapid spread across the globe. On 16 March 2020, the Malaysian Government has imposed the Movement Control Order ("MCO") starting from 18 March 2020 to curb the spread of the COVID-19 outbreak in Malaysia. The COVID-19 outbreak also resulted in travel restriction, lockdown and other precautionary measures imposed in various countries. The emergence of the COVID-19 outbreak since early 2020 has brought significant economic uncertainties in Malaysia and markets in which the Company operate.

33. SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

- (a) On 1 July 2021, the Company announced that it has offered 200,000,000 number of ESOS to eligible employees.
- (b) On 15 July 2021, the Company announced that it has offered 30,000,000 number of ESOS to eligible employees.
- (c) On 21 July 2021, the Company announced that it has offered 100,000,000 number of ESOS to eligible employees.
- (d) On 3 August 2021, the Company announced that its wholly-owned subsidiary, Asiabio Capital Sdn. Bhd. and the Company have on 23 June 2021 ceased to be substantial shareholders of Saudee Group Berhad due to the enlarged share capital of SAUDEE which comprises 712,734,819 ordinary shares subsequent to SAUDEE's right issues.

Notes To Financial Statements

As at 30 June 2021
cont'd

33. SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD *cont'd*

- (e) On 3 August 2021, the Company announced that its wholly-owned subsidiary, Asiabio Capital Sdn. Bhd. ("ABC") and the Company have on 21 June 2021 ceased to be substantial shareholders of Vsolar Group Berhad ("VSOLAR") due to the disposal of 82,049,200 ordinary shares (representing 35.36% of ABC's total shareholding in VSOLAR in open market.
- (f) On 3 August 2021, the Company announced that its wholly-owned subsidiary, Asiabio Capital Sdn. Bhd and the Company have on 22 June 2021 ceased to be substantial shareholders of Komarkcorp Berhad ("KOMARK") due to the disposal of 33,000,000 ordinary shares (representing approximately 91% of ABC's total shareholdings in KOMARK) in open market.
- (g) On 9 August 2021, the Company announced that it has offered 100,000,000 number of ESOS to eligible employees.
- (h) On 12 August 2021, the Company announced that the Company proposes to undertaken a private placement of up to 855,132,900 new ordinary shares in the Company, representing approximately 20% of the existing total number of issued shares of the Company to independent third-party investor(s).
- (i) On 10 September 2021, the Company announced that its wholly-owned subsidiary, Fintec Global Limited and the Company have on 9 September 2021 became a substantial shareholder of NetX Holdings Berhad ("NETX") upon completion of the acquisition of 53,153,800 ordinary shares or 6.36% equity stake in NETX from the open market.
- (j) On 30 September 2021, the Company announced that there was no material development on the Memorandum of Agreement entered between Fintec Glove Sdn. Bhd., a wholly-owned subsidiary of FINTEC, and ROBAYU subsequent to the mutual agreement on the extension of the duration of the MOA from 20 July 2021 to 19 October 2021.
- (k) On 7 October 2021, the Company announced that its wholly-owned subsidiary, Fintec Global Limited had on 29 September 2021 acquired in aggregate 96,719,200 shares of NetX Holdings Berhad ("NETX"), representing approximately 11.57% equity stake in NETX, from the open market for an aggregate consideration of RM14,288,774 in cash.
- (l) On 14 October 2021, the Company announced that its wholly-owned subsidiary, Fintec Global Limited on 11 October 2021 to 13 October 2021 acquired in aggregate 43,092,400 shares of Seacera Group Berhad ("SEACERA"), representing approximately 7.16% equity interest in SEACERA, from the open market for an aggregate consideration of RM8,565,901.
- (m) On 15 October 2021, the Company announced that its wholly-owned subsidiary, Fintec Global Limited ("FGL") on 14 October 2021 acquired 18,000,000 shares of Seacera Group Berhad ("SEACERA"), representing approximately 2.99% equity interest in SEACERA, from the open market for a total consideration of RM3,619,208.00 in cash.

34. GENERAL INFORMATION

The Company is a public limited company that is incorporated and domiciled in Malaysia and listed on the ACE Market of Bursa Malaysia Securities Berhad.

The principal activities of the Company are technology incubation, investment holding, manufacturing and sale of rubber gloves. The principal activities of the subsidiary companies are disclosed in note 11 to the financial statements.

There has been no significant change in the nature of these activities during the financial period other than disclosed in the financial statements.

The registered office of the Company is located at 10th Floor, Menara Hap Seng, No. 1 & 3, Jalan P. Ramlee, 50250 Kuala Lumpur.

The address of the principal place of business of the Company is Lot 13.1, 13th Floor, Menara Lien Hoe, No.8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan.

The financial statements were approved and authorised for issue by the Board of Directors on 21 October 2021.

Analysis of Shareholdings

As at 4 October 2021

Issued and Paid-Up Share Capital : RM356,283,996.37 comprising of 5,230,797,474 ordinary shares

Class of Shares : Ordinary shares

Voting Rights : One (1) vote per ordinary share

ANALYSIS OF SHAREHOLDINGS

Size of Holdings	No. of shareholders	% of shareholders	No. of shares held	% of shareholdings
1 – 99	1,263	5.99	61,593	0.00
100 – 1,000	802	3.80	392,426	0.01
1,001 – 10,000	2,837	13.44	19,378,388	0.37
10,001 – 100,000	9,438	44.73	485,510,766	9.28
100,001 – 261,539,872*	6,762	32.04	4,725,454,301	90.34
261,539,873 and above**	0	0	0	0
TOTAL	21,102	100.0	5,230,797,474	100.00

Note:

* less than 5 % of issued shares

** 5% and above of issued shares

LIST OF DIRECTORS' SHAREHOLDINGS

	Direct		Deemed	
	No. of Shares	%	No. of Shares	%
Dato' Seri Abdul Azim Bin Mohd Zabidi	-	-	-	-
Ong Tee Kein	-	-	-	-
YM Tengku Ahmad Badli Shah Bin Raja Hussin	-	-	-	-
Chu Chee Peng	-	-	-	-
Tan Sik Eek	666,666	0.01	-	-

LIST OF SUBSTANTIAL SHAREHOLDERS (based on Register of Substantial Shareholders)

Shareholders	Direct		Deemed	
	No. of shares	%	No. of shares	%
CPE Growth Capital Limited	31,838,166	0.61	-	-
Adamas Finance Asia Limited	-	-	31,838,166 ⁽ⁱ⁾	0.61

Note:

⁽ⁱ⁾ Deemed interest by virtue of the shareholdings in CPE Growth Capital Limited

Analysis of Shareholdings

As at 4 October 2021
cont'd

LIST OF TOP 30 SHAREHOLDERS

	Name	No. of shares held	Percentage (%)
1	Choi Khai Chean	101,000,000	1.930
2	Affin Hwang Nominees (Asing) Sdn. Bhd. <i>Exempt An for Sanston Financial Group Limited (Account Client)</i>	69,838,200	1.335
3	Chin Kiam Hsung	31,800,000	0.607
4	Eng Hong Palm Oil Mill Sdn. Berhad	30,000,000	0.573
5	Jason Ching Chou-Yi	30,000,000	0.573
6	Public Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Kho Chong Yau (E-TSA)</i>	27,500,000	0.525
7	Ong Kim Leng	27,329,700	0.522
8	UOB Kay Hian Nominees (Asing) Sdn. Bhd. <i>Exempt An for UOB Kay Hian Pte Ltd (A/C Clients)</i>	26,876,500	0.513
9	TA Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Ong Eng Taik</i>	25,000,000	0.477
10	Chin Kian Fong	23,600,000	0.451
11	Geoffrey Lim Fung Keong	22,000,000	0.420
12	Public Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Lim Chung Toung (E-KKU)</i>	22,000,000	0.420
13	CGS-CIMB Nominees (Asing) Sdn. Bhd. <i>Exempt An for CGS-CIMB Securities (Singapore) Pte. Ltd. (Retail Clients)</i>	21,380,200	0.408
14	Ooi Ee How	21,300,000	0.407
15	Gan Siong Pieu	21,000,000	0.401
16	Amsec Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Quek See Kui</i>	20,395,800	0.389
17	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Teo Ker-Wei</i>	20,000,000	0.382
18.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Lim Chung Toung (8036111)</i>	19,000,000	0.363
19	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Lim Kah Eng</i>	17,393,200	0.332
20	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>Rakuten Trade Sdn. Bhd. for Lim Mui Hui</i>	16,600,000	0.317
21	Lim Wee Yang	15,171,000	0.290
22	Boey Tze Nin	15,166,800	0.289
23	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Chin Kiam Hsung</i>	15,100,000	0.288
24	Chin Wah Yin	15,000,000	0.286
25	Bo Eng Chee	13,500,000	0.258
26	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Chin Kian Fong</i>	13,300,000	0.254
27	Teo Ah Seng	13,098,900	0.250
28	Chan Kim Gek	13,011,900	0.248
29	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Tee Geok Poh (MY2016)</i>	12,900,000	0.246
30	M & A Nominee (Tempatan) Sdn. Bhd. <i>Exempt An for Sanston Financial Group Limited (Account Client)</i>	12,500,000	0.238
	TOTAL	732,762,200	13.992

Analysis of Preference Shareholdings

As at 4 October 2021

Type of Securities	:	Irredeemable Convertible Preference Shares (“ICPS”)
Total Number of ICPS issued	:	899,284,472
Total Number of Outstanding ICPS	:	224,308,135
Conversion Price	:	RM0.11
Voting Right	:	<p>An ICPS does not carry any right to vote at any general meeting of the Company except for the right to vote in person or by proxy or by attorney at such meeting in each of the following circumstances until and unless the holders of ICPS convert their ICPS into ordinary shares:-</p> <ul style="list-style-type: none"> (a) on a proposal considering the reduction of the share capital of the Company (excluding any cancellation of capital which is lost or unrepresented by assets); (b) on a proposal for the sale of the whole of the Company’s property, business and undertaking; (c) on a proposal that directly affects the rights and privileges attached to the ICPS; (d) on a proposal to wind-up the Company; and (e) during the winding-up of the Company.

Where the holders of ICPS are entitled to vote at any general meeting, every ICPS shall on a poll, carry 1 vote for each ordinary share into which the ICPS are convertible upon exercise of the Conversion Right (based on the Conversion Mode) and every ordinary share shall, notwithstanding any other provision of the Constitution, carry 1 vote for each such share.

The holders of ICPS shall have the right to receive notices, reports and accounts and attend meetings, of which shareholders are entitled.

ANALYSIS OF ICPS SHAREHOLDINGS

Size of Holdings	No. of ICPS holders	% of ICPS holders	No. of ICPS held	% of ICPS holdings
1 – 99	40	4.00	1,719	0.00
100 – 1,000	43	4.30	20,402	0.01
1,001 – 10,000	105	10.50	691,668	0.31
10,001 – 100,000	517	51.70	26,554,169	11.84
100,001 – 11,215,405*	294	29.40	182,360,177	81.30
11,215,406 and above**	1	0.10	14,680,000	6.54
TOTAL	1,000	100.00	224,308,135	100.00

Note:

* less than 5 % of issued ICPS

** 5% and above of issued ICPS

Analysis of Preference Shareholdings

As at 4 October 2021
cont'd

LIST OF DIRECTORS' ICPS SHAREHOLDINGS

	Direct		Deemed	
	No. of ICPS	%	No. of ICPS	%
Dato' Seri Abdul Azim Bin Mohd Zabidi	-	-	-	-
Ong Tee Kein	-	-	-	-
YM Tengku Ahmad Badli Shah Bin Raja Hussin	-	-	-	-
Chu Chee Peng	-	-	-	-
Tan Sik Eek	-	-	-	-

LIST OF TOP 30 ICPS HOLDERS

Name	No. of ICPS held	Percentage (%)
1 M & A Nominee (Tempatan) Sdn. Bhd. <i>Exempt An for Sanston Financial Group Limited (Account Client)</i>	14,680,000	6.544
2 Ng Yoke Hin	10,105,666	4.505
3 Geoffrey Lim Fung Keong	7,705,000	3.435
4 Kenanga Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Goh Yuan Shen</i>	7,000,000	3.120
5 Bo Eng Chee	6,480,000	2.888
6 Ong Soi Tat	6,000,000	2.674
7 Affin Hwang Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Tan Leang Kok (M01)</i>	3,500,000	1.560
8 Chan Chok Kin	3,072,100	1.369
9 Maybank Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Heng Poh Suan</i>	2,944,000	1.312
10 Tan Leang Kok	2,900,600	1.293
11 Citigroup Nominees (Asing) Sdn. Bhd. <i>Exempt An for OCBC Securities Private Limited (Client A/C-NR)</i>	2,666,700	1.188
12 HLIB Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Ong Kim Leng</i>	2,500,000	1.114
13 Le Chang Low	2,500,000	1.114
14 Ting Seu Nguong	2,345,600	1.045
15 Low Lee Seng	2,133,332	0.951
16 Affin Hwang Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Kong Kok Chuen (KON0167C)</i>	2,120,000	0.945
17 Liew Cha Wee	2,092,300	0.932

Analysis of Preference Shareholdings

As at 4 October 2021

cont'd

LIST OF TOP 30 ICPS HOLDERS *cont'd*

Name	No. of ICPS held	Percentage (%)
18 Neo Say Yeow	2,050,000	0.913
19 Chin Yam Meng	2,000,000	0.891
20 Goh Cheng Foong	2,000,000	0.891
21 Tein Yuk Ying	2,000,000	0.891
22 Yong Hock Men	2,000,000	0.891
23 Lim Yaw Yeu	1,966,000	0.876
24 Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Wong Lip Ken	1,700,000	0.757
25 Ng Sze Mooi	1,600,000	0.713
26 Ng Kok Liong	1,505,000	0.670
27 Lang Thiam Leong	1,500,000	0.668
28 Lim Chin Hong	1,500,000	0.668
29 Lim E @ Lim Hoon Nam	1,500,000	0.668
30 Teh Bee Khay	1,500,000	0.668
TOTAL	103,566,298	46.154

Analysis of Warrantholdings (Warrant A)

As at 4 October 2021

Types of Securities	:	Warrants A
Total Number of Warrants Issued	:	420,200,000#
Total Number of Outstanding Warrants	:	170,092,838#
Exercise Price	:	RM0.19 per warrant#
Voting Right	:	The holder of warrants is not entitled to any voting rights.

The total number of warrants issued was 420,200,000 and the total number of outstanding warrants and exercise price were adjusted as a result of the consolidation of every 3 ordinary shares in the Company into 1 ordinary share, which was completed on 6 June 2017. Subsequently, the total number of outstanding warrants and exercise price were adjusted with effect from 26 November 2020 pursuant to the Rights Issue with Warrants C, which was completed on 28 December 2020.

ANALYSIS OF WARRANTHOLDINGS A

Size of Holdings	No. of warrant holders	% of warrant holders	No. of warrants held	% of warrant holdings
1 – 99	355	23.97	21,056	0.01
100 – 1,000	53	3.58	26,069	0.02
1,001 – 10,000	167	11.28	943,309	0.55
10,001 – 100,000	583	39.36	25,268,975	14.86
100,001 – 8,504,640*	322	21.74	124,833,374	73.39
8,504,641 and above**	1	0.07	19,000,055	11.17
TOTAL	1,481	100.00	170,092,838	100.00

Note:

* less than 5% of issued warrants

** 5% and above of issued warrants

LIST OF DIRECTORS' WARRANTHOLDINGS A

	Direct		Deemed	
	No. of Warrants	%	No. of Warrants	%
Dato' Seri Abdul Azim Bin Mohd Zabidi	-	-	-	-
Ong Tee Kein	-	-	-	-
YM Tengku Ahmad Badli Shah Bin Raja Hussin	-	-	-	-
Chu Chee Peng	-	-	-	-
Tan Sik Eek	-	-	-	-

Analysis of Warrantholdings (Warrant A)

As at 4 October 2021
cont'd

LIST OF TOP 30 WARRANTHOLDERS A

	Name	No. of warrants held	Percentage (%)
1	Tan Wei Lai	19,000,055	11.170
2	Affin Hwang Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Leou Thiam Lai (M09)</i>	4,793,350	2.818
3	Lim Chee Kon	4,145,600	2.437
4	Chua Chin Chyang	3,601,230	2.117
5	Teng Pok Sang @ Teng Fook Sang	2,671,924	1.570
6	Low Choon Nam	2,591,000	1.523
7	You Shuan Ching	2,526,225	1.485
8	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>Rakuten Trade Sdn. Bhd. for Jason Kong Wai Kay</i>	2,361,272	1.388
9	Public Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Ling Su You (E-KKU/BFT)</i>	2,350,684	1.382
10	Chua Chin Chyang	2,202,350	1.294
11	Law Seng Keong	1,950,025	1.146
12	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for R Kogilavani (029)</i>	1,727,332	1.015
13	AllianceGroup Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Tie Ming Chung (7002470)</i>	1,700,257	0.999
14	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Teoh Lee Peng</i>	1,684,150	0.990
15	Yong Gim Beng	1,555,644	0.914
16	Chew Jee Sheng	1,540,003	0.905
17	Kok Fu Jun	1,450,000	0.852
18	AllianceGroup Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Liaw Ming Kuang (8055879)</i>	1,317,090	0.774
19	Public Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Yeu Ing Dee (E-KKU/BFT)</i>	1,295,500	0.761
20	Ho Kam Fook	1,250,000	0.734
21	Wong Shin Yi	1,221,625	0.718
22	Ong Chai Hong	1,101,025	0.647
23	Lee Jong Weng	1,000,090	0.587
24	Kong Oon Chee	1,000,042	0.587
25	Si Boon Chong	918,200	0.539
26	Jacob Ng Ving Hong	906,850	0.533
27	Loh Fu Chong	906,850	0.533
28	Ooi Leng Hwa	906,850	0.533
29	Public Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Lim Kian Deng (E-TAI/TIN)</i>	867,985	0.510
30	You Ah Chin	845,702	0.497
	TOTAL	71,388,910	41.958

Analysis of Warrantholdings (Warrant B)

As at 4 October 2021

Types of Securities	:	Warrants B
Total Number of Warrants Issued	:	89,928,341 [#]
Total Number of Outstanding Warrants	:	116,443,428 [#]
Exercise Price	:	RM0.10 per warrant [#]
Voting Right	:	The holder of warrants is not entitled to any voting rights.

[#] The total number of warrants issued was 89,928,341 and the total number of outstanding warrants and exercise price were adjusted with effect from 26 November 2020 pursuant to the Rights Issue with Warrants C, which was completed on 28 December 2020.

ANALYSIS OF WARRANTHOLDINGS B

Size of Holdings	No. of warrantholders	% of warrantholders	No. of warrants held	% of warrantholdings
1 – 99	111	11.87	5,837	0.01
100 – 1,000	76	8.13	39,169	0.03
1,001 – 10,000	276	29.52	1,313,676	1.13
10,001 – 100,000	271	28.98	11,204,730	9.62
100,001 – 5,822,170 [*]	200	21.39	97,880,016	84.06
5,822,171 and above ^{**}	1	0.11	6,000,000	5.15
TOTAL	935	100.00	116,443,428	100.00

Note:

^{*} less than 5% of issued warrants

^{**} 5% and above of issued warrants

LIST OF DIRECTORS' WARRANTHOLDINGS B

	Direct		Deemed	
	No. of Warrants	%	No. of Warrants	%
Dato' Seri Abdul Azim Bin Mohd Zabidi	-	-	-	-
Ong Tee Kein	-	-	-	-
YM Tengku Ahmad Badli Shah Bin Raja Hussin	-	-	-	-
Chu Chee Peng	-	-	-	-
Tan Sik Eek	-	-	-	-

Analysis of Warrantholdings (Warrant B)

As at 4 October 2021

cont'd

LIST OF TOP 30 WARRANTHOLDERS B

	Name	No. of warrants held	Percentage (%)
1	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Tay Woon Tat</i>	6,000,000	5.152
2	Lim Chee Kon	5,441,100	4.672
3	Chan Kam Kit	4,746,971	4.076
4	Chua Chin Chyang	4,469,475	3.838
5	Chai Sai Keat	3,886,500	3.337
6	Liew Cha Wee	3,612,300	3.102
7	TA Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Ng Yang Hoo @ Ng Peng Lim</i>	3,000,000	2.576
8	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>Rakuten Trade Sdn. Bhd. for Jason Kong Wai Kay</i>	2,605,224	2.237
9	Lau Fui Seng	1,796,858	1.543
10	Nid A/L Nuam	1,768,900	1.519
11	RHB Capital Nominees (Tempatan) Sdn. Bhd. <i>Tai Chee Min (T-731241)</i>	1,661,733	1.427
12	Hau Beng Han	1,554,600	1.335
13	Wong Sieh Ming	1,360,275	1.168
14	Public Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Teoh Chiu Eng (E-KBU)</i>	1,295,500	1.112
15	Chong Chin Onn	1,250,000	1.073
16	Chai Sek Ying	1,236,400	1.061
17	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>Exempt An for Phillip Securities Pte Ltd (Client Account)</i>	1,218,200	1.046
18	Law Seng Keong	1,168,670	1.003
19	Teo Kian Chye	1,147,750	0.985
20	Chia Yoke Lian	1,084,981	0.931
21	Foong Chow Wah	1,000,000	0.858
22	Teh Leong Sin	1,000,000	0.858
23	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Seah Choo Seong (MY2164)</i>	999,973	0.858
24	Thio Seow Hon	880,940	0.756
25	Ah Seh A/L Ewan	873,300	0.749
26	Foong Wai Chee	850,000	0.729
27	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Low Li Zhe</i>	837,511	0.719
28	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Choke Nyit Sin</i>	777,300	0.667
29	Ong Soi Tat	777,300	0.667
30	Tan Chor Deng	751,000	0.644
	TOTAL	59,052,761	50.698

Analysis of Warrantholdings (Warrant C)

As at 4 October 2021

Types of Securities	:	Warrants C
Total Number of Warrants Issued	:	1,146,174,828
Total Number of Outstanding Warrants	:	1,146,126,828
Exercise Price	:	RM0.08 per warrant
Voting Right	:	The holder of warrants is not entitled to any voting rights.

ANALYSIS OF WARRANTHOLDINGS C

Size of Holdings	No. of warrantholders	% of warrantholders	No. of warrants held	% of warrantholdings
1 – 99	189	4.14	9,428	0.00
100 – 1,000	80	1.75	37,821	0.00
1,001 – 10,000	606	13.30	3,642,167	0.32
10,001 – 100,000	2,276	49.90	102,496,395	8.94
100,001 – 57,306,340*	1,410	30.91	1,039,941,017	90.74
57,306,341 and above**	0	0.00	0	0.00
TOTAL	4,561	100.00	1,146,126,828	100.00

Note:

* less than 5% of issued warrants

** 5% and above of issued warrants

LIST OF DIRECTORS' WARRANTHOLDINGS C

	Direct		Deemed	
	No. of Warrants	%	No. of Warrants	%
Dato' Seri Abdul Azim Bin Mohd Zabidi	-	-	-	-
Ong Tee Kein	-	-	-	-
YM Tengku Ahmad Badli Shah Bin Raja Hussin	-	-	-	-
Chu Chee Peng	-	-	-	-
Tan Sik Eek	266,666	0.02	-	-

Analysis of Warrantholdings (Warrant C)

As at 4 October 2021
cont'd

LIST OF TOP 30 WARRANTHOLDERS C

	Name	No. of warrants held	Percentage (%)
1	Lum Yin Mui	44,107,800	3.848
2	Chin Kian Fong	15,520,000	1.354
3	Amsec Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Quek See Kui</i>	15,516,640	1.353
4	Er Soon Puay	15,072,400	1.315
5	Md Nor Bin Mansor	15,000,000	1.308
6	Num Song Sdn. Bhd.	15,000,000	1.308
7	Tan Siew Heong	15,000,000	1.308
8	TA Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Ong Eng Taik</i>	14,400,000	1.256
9	Pak Liew Mei	14,305,700	1.248
10	Chin Kiam Hsung	14,160,000	1.235
11	Chee Chee Weng	13,000,000	1.134
12	Choong Kean Cheong	12,041,200	1.050
13	Chong Me Hong	10,001,000	0.872
14	Tan Kar Ying	10,000,100	0.872
15	M & A Nominee (Tempatan) Sdn. Bhd. <i>Exempt An for Sanston Financial Group Limited (Account Client)</i>	10,000,000	0.872
16	Geoffrey Lim Fung Keong	9,240,000	0.806
17	CGS-CIMB Nominees (Asing) Sdn. Bhd. <i>Exempt An for CGS-CIMB Securities (Singapore) Pte. Ltd. (Retail Clients)</i>	9,112,080	0.795
18	Chin Kiam Hsung	8,640,000	0.753
19	AllianceGroup Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Heng Kok Lin (7001277)</i>	8,160,000	0.711
20	Eng Hong Palm Oil Mill Sdn. Berhad	7,999,920	0.697
21	Liew Kwok Cherng	7,800,000	0.680
22	Farm Meu Fah	7,000,000	0.610
23	Tan Boon Choon	6,028,000	0.525
24	AllianceGroup Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Seaw Wei Tat (7000246)</i>	6,000,000	0.523
25	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Teo Ker-Wei</i>	6,000,000	0.523
26	Teo Ah Seng	5,899,120	0.514
27	Affin Hwang Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Tan Leang Kok (M01)</i>	5,570,000	0.485
28	Public Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Choo Kok Poon (E-KBU)</i>	5,519,060	0.481
29	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Tee Geok Poh (MY2016)</i>	5,160,000	0.450
30	Amsec Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Louis Luk Zhang Sheng</i>	5,000,000	0.436
	TOTAL	336,253,020	29.322

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Fourteenth Annual General Meeting (“AGM”) of the Company will be conducted on a fully virtual basis from the Broadcast Venue held at Level 10, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan (<https://rebrand.ly/FintecAGM>) on Monday, 29 November 2021 at 2.00 p.m. for the purpose of considering the following businesses:-

AGENDA

Ordinary Business

- | | | |
|----|---|---|
| 1. | To receive the Audited Financial Statements for the financial period ended 30 June 2021 together with the Reports of the Directors and the Auditors thereon. | (Please refer to Explanatory Note 1) |
| 2. | To re-elect Mr Ong Tee Kein, a Director who is retiring in accordance with Regulation 97 of the Company’s Constitution. | Ordinary Resolution 1 |
| 3. | To re-elect Dato’ Seri Abdul Azim Bin Mohd Zabidi, a Director who is retiring in accordance with Regulation 97 of the Company’s Constitution. | Ordinary Resolution 2 |
| 4. | To approve the payment of Directors’ Fees of RM741,040 for the financial year ending 30 June 2022. | Ordinary Resolution 3 |
| 5. | To approve the payment of Directors’ Remuneration (excluding Directors’ Fees) payable to the Board of the Company and its subsidiaries amounting to RM45,000 for the financial period from 1 October 2021 until 31 December 2022. | Ordinary Resolution 4 |
| 6. | To re-appoint ChengCo PLT as the Auditors of the Company and to authorise the Directors to determine their remuneration for the ensuing year. | Ordinary Resolution 5 |

As Special Business

To consider and if thought fit, to pass the following resolution, with or without modifications:-

- | | | |
|----|---|------------------------------|
| 7. | As Ordinary Resolution
- Authority to Issue Shares | Ordinary Resolution 6 |
|----|---|------------------------------|

“THAT subject always to the Companies Act 2016, Constitution of the Company and approvals from Bursa Malaysia Securities Berhad and any other governmental/regulatory bodies, where such approval is necessary, authority be and is hereby given to the Directors pursuant to Sections 75 and 76 of the Companies Act 2016 to issue and allot not more than ten percent (10%) of the issued capital (excluding treasury shares) of the Company at any time upon any such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit or in pursuance of offers, agreements or options to be made or granted by the Directors while this approval is in force until the conclusion of the next Annual General Meeting of the Company and that the Directors be and are hereby further authorised to make or grant offers, agreements or options which would or might require shares to be issued after the expiration of the approval hereof.”

- | | |
|----|---|
| 8. | To transact any other business of which due notice shall have been given. |
|----|---|

BY ORDER OF THE BOARD

NG SALLY (MAICSA 7060343 / PC NO. 202008002702)
Company Secretary

29 October 2021
Kuala Lumpur

Notice of Annual General Meeting

cont'd

Notes:

1. The Company shall request Bursa Malaysia Depository Sdn. Bhd. in accordance with Regulation 62 of the Company's Constitution to issue a General Meeting Record of Depositors as at 22 November 2021. Only depositor whose name appears on the Record of Depositors as at 22 November 2021 shall be entitled to attend, participate, speak and vote at this meeting.
2. Each member entitled to attend and vote in person may appoint not more than two (2) proxies to attend, speak and vote in its stead but his attendance shall automatically revoke the proxy's authority.
3. A proxy may, but need not, be a Member of the Company and there shall be no restriction as to the qualification of the proxy. Where a Member appoints more than 1 proxy, he shall specify the proportions of his holdings to be represented by each proxy, failing which the appointment shall be invalid.
4. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint not more than two (2) proxies in respect of each Securities Account it holds in ordinary shares of the Company standing to the credit of such Securities Account.
5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiples 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.
6. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or, if such appointer is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised. The Directors may, but shall not be bound to require evidence of the authority of any such attorney or officer.
7. The instrument appointing a proxy or the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the office of ShareWorks Sdn. Bhd. at 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the meeting, i.e. before 2.00 p.m., Saturday, 27 November 2021, or at any adjourned thereof.

EXPLANATORY NOTES ON ORDINARY AND SPECIAL BUSINESS:

(i) Item 1 of the Agenda

This agenda item is meant for discussion only, as the provision of Section 248(1) and Section 340(1)(a) of the Companies Act 2016 ("the Act") does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

(ii) Items 4 & 5 of the Agenda

Section 230(1) of the Act provides amongst others, that "the fees" of the directors and "any benefits" payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board agreed that the shareholders' approval shall be sought at the Fourteenth AGM on the Directors' Remuneration in two (2) separate resolutions as below:-

- Resolution 3 on payment of Directors' Fees for the financial year ending 30 June 2022; and
- Resolution 4 on payment of Directors' Remuneration (excluding Directors' Fees) for the financial period from 1 October 2021 until 31 December 2022 ("Relevant Period").

The payment of the Directors' Fees for the financial year ending 30 June 2022 will only be made if the proposed Resolution 3 has been passed at the Fourteenth AGM pursuant to Regulation 105 of the Company's Constitution and Section 230(1) of the Act.

The Directors' Remuneration (excluding Directors' Fees) comprises the allowances and other emoluments payable to the Board of the Company and its subsidiaries as follows:-

	Executive/ Managing Director (RM'000)	Independent Non-Executive Directors (RM'000)	Non-Independent Non-Executive Directors (RM'000)	Total (RM'000)
Meeting Allowance	-	45	-	45
Other Benefits & Emolument	-	-	-	-
Total	-	45	-	45

Notice of Annual General Meeting

cont'd

The estimated total amount of remuneration (excluding Directors' Fees) for the Relevant Period of RM45,000 were determined based on the various factors including the number of scheduled meetings for the Board and Board Committees as well as the extent of involvement of the respective Directors.

Payment of Directors' Fees for the financial year ending 30 June 2022 and Directors' Remuneration (excluding Directors' Fees) will be made by the Company and its subsidiaries on a monthly basis and/or as and when incurred if the proposed Resolutions 3 and 4 have been passed at the Fourteenth AGM. The Board is of the view that it is just and equitable for the Directors to be paid the Directors' Fees for the financial year ending 30 June 2022 and Directors' Remuneration (excluding Directors' Fees) on a monthly basis and/or as and when incurred, particularly after they have discharged their responsibilities and rendered their services to the Company and its subsidiaries throughout the financial period from 1 October 2021 until 31 December 2022. In the event where the payment of Directors' Fees for the financial year ending 30 June 2022 and Directors' Remuneration (excluding Directors' Fees) payable during the above period exceeded the estimated amount sought at the Fourteenth AGM, shareholders' approval will be sought at the next AGM.

(iii) Item 7 of the Agenda

The proposed Ordinary Resolution 6, if passed, will give flexibility to the Directors of the Company to issue shares up to a maximum of ten per centum (10%) of the issued share capital of the Company at the time of such issuance of shares and for such purposes as they consider would be in the best interest of the Company to raise funds quickly and efficiently to ensure the long-term sustainability of the Company without having to convene separate general meetings. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

This is the renewal of mandate obtained from the shareholders at the last AGM held on 30 September 2020 ("the Previous Mandate").

The Company had utilised the mandate for the issuance of up to 855,132,900 new shares under the Previous Mandate which was approved by the shareholders at the last AGM held on 30 September 2020 and a total proceeds of RM18,028,000 was raised.

For further information, please refer to the Statement Accompanying Notice of AGM of the 2021 Annual Report.

The purposes of this new general mandate is for further possible fund raising exercises including but not limited to placement of shares for purpose of funding the Group's technology incubation fund, current and/or future investment projects, working capital, repayment of borrowings and/or acquisitions.

Statement Accompanying Notice of AGM

Pursuant to Rule 8.29 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities")

- **General Mandate for issue of securities in accordance with Rule 6.04(3) of the ACE Market Listing Requirements of Bursa Securities**

The Company has obtained the mandate for issue of shares from the shareholders at the last AGM held on 30 September 2020 ("The Previous Mandate"). The Previous Mandate has been utilised for the private placement of 20% of the issued shares of the Company ("Private Placement"). Pursuant to the Previous Mandate, the Company has undertaken a private placement exercise which has been completed on 28 September 2021 where 855,132,900 new shares had been issued. The Private Placement has raised a gross proceed of RM18,028,000 to date and that the details of the utilisation of the proceeds raised from the Private Placement, as at 30 September 2021, are as follows:-

Utilisation of proceeds	Status of Utilisation (RM'000)	Actual Utilisation (RM'000)	Amount Unutilised (RM'000)
(i) Construction of factory building for the Gloves Business	17,343	4,327	13,016
(ii) Estimated expenses for the Proposed Private Placement	685	142	543
Total	18,028	4,469	13,559

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FINTEC GLOBAL BERHAD

FINTEC GLOBAL BERHAD
[Registration No.: 200701016619 (774628-U)]
(Incorporated in Malaysia)

PROXY FORM

CDS Account No.

No. of shares held

I/We Tel. No.:
[Full name in block and NRIC No./Company No.]

of
[Address]

being a member/members of **FINTEC GLOBAL BERHAD**, hereby appoint:-

Full Name (in Block)	NRIC/Passport/Company No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Full Name (in Block)	NRIC/Passport/Company No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him, the Chairman of the meeting as my/our proxy to attend and to vote for me/us on my/our behalf and, if necessary, to demand for a poll at the Fourteenth Annual General Meeting of the Company to be conducted on a fully virtual basis from the Broadcast Venue held at Level 10, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan (<https://rebrand.ly/fintecAGM>) on Monday, 29 November 2021 at 2.00 p.m. or any adjournment thereof, and to vote as indicated below:-

Item	Agenda	Resolution	FOR	AGAINST
1.	Re-election of Mr Ong Tee Kein as Director	Ordinary Resolution 1		
2.	Re-election of Dato' Seri Abdul Azim Bin Mohd Zabidi as Director	Ordinary Resolution 2		
3.	Payment of Directors' Fees for the financial year ending 30 June 2022	Ordinary Resolution 3		
4.	Payment of Directors' Remuneration (excluding Directors' fees) payable to the Board of the Company and its subsidiaries	Ordinary Resolution 4		
5.	Re-appointment of Auditors	Ordinary Resolution 5		
6.	Authority to Issue Shares	Ordinary Resolution 6		

Please indicate with an 'X' in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy may vote or abstain as he thinks fit.

Signed this

.....
Signature of Shareholder(s)/Common Seal

Notes:

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- Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint not more than two (2) proxies in respect of each Securities Account it holds in ordinary shares of the Company standing to the credit of such Securities Account.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiples 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.
- The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or, if such appointer is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised. The Directors may, but shall not be bound to require evidence of the authority of any such attorney or officer.
- The instrument appointing a proxy or the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the office of ShareWorks Sdn. Bhd. at 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, not less than forty-eight (48) hours before the time for holding the meeting, i.e. before 2.00 p.m., Saturday, 27 November 2021, or at any adjourned thereof.

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AFFIX
STAMP

FINTEC GLOBAL BERHAD
[Registration No.: 200701016619 (774628-U)]
c/o ShareWorks Sdn. Bhd.
2-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur

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FINTEC GLOBAL BERHAD

[Registration No.: 200701016619 (774628-U)]

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