

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

A resume of discussion under item 9 of the Agenda of the Thirteenth Annual General Meeting held on Wednesday, 30 September 2020 at 11.00 a.m.

Mr Giam Ye Hor (“Mr Giam”), a proxy, enquired on the rationale of the Company’s strategic plan to venture into glove manufacturing business by raising funds through Proposed Renounceable Rights Issue with Warrants C (“Rights Issues with Warrants C”) instead of utilising the profit made by the Company.

The Chairman explained to the floor that the profit made by the Company thus far were mainly paper / unrealised gain through the marked-to-market valuation of the quoted securities held. The actual gain from the sale of quoted securities was merely RM0.58 million. Hence, the Company has to undertake Proposed Renounceable Rights Issue with Warrants C to raise funds for the proposed glove manufacturing business.

Mr Giam then went on to ask when would the unrealised gain/profit be realised.

The Chairman replied that the investment in quoted securities held by the Company were mainly medium to long term investment and it would be very much depending on the right timing to materialise the gain. It was hoped that the share market would rebound significantly and the Company could consider the plan to materialise its gain in quoted securities held, and thus the Company could make actual gain accordingly.

In addition, Mr Lee Teck Mens (“Mr Lee”), a shareholder of the Company, said that there are already a few main players dominating the glove related business. He asked whether the Company has performed any due diligence exercise on the feasibility of the Company’s proposed glove related business.

The Chairman informed that the said due diligence process was still ongoing and the Extraordinary General Meeting (“EGM”) would be convened soon to seek shareholders’ approval on the proposed resolutions related to the diversification into glove manufacturing business and Rights Issues with Warrants C. He added that the Company has confident in the business prospect of the glove manufacturing business as the demand for the gloves was high and the Company foresee it would be a long term demand in view of the covid-19 pandemic and time is required to develop the vaccine.

Apart from that, Mr Lee said that although the businesses / investments undertaken by the Company was diversified and seem attractive, this has not improved the performance of the Company’s share price.

The Chairman explained that the share market sentiment and the market investment trend by the investors were beyond the Company’s control which depending on various factors that could affect the shares price.

Mr Lee had subsequently asked about the future plans of the Company. He raised his concern on the share price of the Company which had dropped since the announcement on the proposed diversification of business and Rights Issues with Warrants C.

Mr Tan Sik Eek (“Mr Steve Tan”), an Executive Director of the Company, replied that the Company was looking into long term investment and some investments / businesses took years to materialise the gain. For instance, Focus Dynamics Group Berhad (“Focus”) had diversified its business from renewable energy business to foods & beverage business and it has approximately RM53 million market capital now. The Company is currently the single largest shareholder of Focus.

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In a reply to the question posed by Mr Kow Lih Shi ("Mr Kow"), a shareholder of the Company, on whether there would be any dividend payment declared by the Company in future, Mr Steve Tan explained that the investment gain / profits for the financial year were mainly paper gain through the marked-to-market valuation of the quoted securities held by the Group while the actual gain from the sale of quoted securities was merely RM0.58 million, which at this juncture, was not sufficient for the declaration and payment of dividend to shareholders of the Company.

Mr Kow opined that the Rights Issues with Warrants C would dilute the shareholders' shareholdings. He also enquired as to how the Company would manage the proposed glove manufacturing business as the Company has no related experience/expertise in the glove industry.

To address the enquiry put forward by Mr Kow, Mr Steve Tan informed that the Company had undertaken various businesses and investments in which it has no prior experience/expertise. With respect to the details of the proposed glove manufacturing business and Rights Issue with Warrants C, these would be dealt with in detailed during the forthcoming EGM to be convened related to the matter.

With respect to the question on the undertaking of Rights Issues with Warrants C instead of obtaining a bank loan to raise fund, the Chairman explained that the Company required to raise fund timely in order to materialise the business opportunity of glove manufacturing business. In view that bank loan involves a lengthy and sophisticated approval process as banks might not understand well the business nature of the Company, hence, Rights Issues with Warrants C was preferred and better option.

In replying to Mr Kow's enquiry on the Company's plan with respect to the shareholders' general mandate to issue shares, Mr Steve Tan informed the Meeting that the Company did not have a definite plan whether to utilise the general mandate in the future, as the general mandate given at this juncture due to the unprecedented crisis faced globally. The Company would only utilise the said mandate when there is a need arises.