



# Fintech Chain Limited

ARBN 158 702 400

## ASX PRELIMINARY FINAL REPORT 31 MARCH 2021

Lodged with the ASX under Listing Rule 4.3A

This preliminary final report covers the consolidated entity consisting of Fintech Chain Limited and its controlled entities. The financial statements are presented in Renminbi (RMB), the official currency of the People's Republic of China, unless otherwise stated.

The report is based on accounts which are in the process of being audited.

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**FINTECH CHAIN LIMITED AND ITS CONTROLLED ENTITIES**  
**YEAR ENDED 31 MARCH 2021**

**Details of the reporting period and the previous corresponding period**

Reporting period: Year ended 31 MARCH 2021

Prior corresponding period: Year ended 31 MARCH 2020

**Results for announcement to the market**

Key information

	Year ended 31 MARCH 2021 RMB'000	Year ended 31 MARCH 2020 RMB'000	% change
Revenue from ordinary activities	54,548	35,638	53%
Profit from ordinary activities after income tax expense attributable to members	10,110	3,211	215%
Net profit attributable to members	10,460	3,527	197%

**Brief explanation of figures reported above to enable the figures to be understood**

Key features of the result include:

- The Company generated revenue from ordinary activities of RMB54.5 million for FY2021, an increase of 53% over the previous year despite the effects of the Coronavirus (COVID-19) pandemic.
- Notwithstanding the impact of the COVID-19 epidemic, revenue growth from SaaS cloud services and SaaS for hardware IoT also increased from RMB23.0 million to RMB29.6 million and RMB10.9 million to RMB23.7 million respectively.
- Other income and net gains significantly increased from RMB0.5 million to RMB2.5 million mainly as the result of a government grant of RMB2.1 million.
- Decreased selling expenses resulted from strengthened expense control and reduced net foreign exchange losses.
- General and administrative expenses included research and development costs which will be quantified and defined in the Company's upcoming FY2021 Annual Report.
- Unrealised gains on changes of fair value of embedded derivatives of convertible bonds and finance costs due resulted from the convertible bonds terms to longer terms maturity dates.
- The Company generated net profit of RMB0.0161 per share, compared to RMB0.0054 per share in the previous financial year.
- No dividends have been paid nor any dividends proposed to the paid.

## **Unaudited preliminary consolidated statement of profit or loss and other comprehensive income**

Please refer to page 6

## **Unaudited preliminary consolidated statement of financial position**

Please refer to page 7

## **Unaudited preliminary consolidated statement of changes in equity**

Please refer to page 8

## **Unaudited preliminary consolidated statement of cash flows**

Please refer to page 9

## **Additional dividend information**

The Company has not declared any dividends.

## **Dividend reinvestment plan**

The Company has no dividend reinvestment plan.

## **Net tangible asset backing**

Net tangible asset backing per ordinary share at:

31 March 2021 : RMB (0.52) cents

31 March 2020 : RMB (2.28) cents

## **Controlled entities acquired or disposed of**

The Company didn't acquire or dispose of any entities in FY2021.

## **Details of associates and joint venture entities**

<b>Name of entity</b>	<b>Ownership percentage</b>
Shenzhen Intelligent Preferential Pay Company Limited* (深圳市智惠付信息技術有限公司)	32.5%
Shenzhen Dashouhou Information Technology Co., Ltd.* (深圳市大售后信息技术有限公司)	47.5%
TTG Fintech Services Limited	40%

\* The English translation of the Company name is for reference only. The official name of the companies is in Chinese.

## **Other significant information**

The Company and its convertible bond holders agreed to extend the maturity dates of AUD500,000, RMB3,000,000, USD500,000 and USD376,687 in convertible bonds to 31 December 2022, 31 January 2022, 31 December 2021 and 31 December 2022 respectively.

## **Foreign entities**

The financial statements have been prepared in accordance with all applicable International Financial Reporting Standards.

## **Commentary on the operations and results**

### About FTC

FTC's IP T-Linx™ is a SaaS platform (Software as a Service).

In providing payment alternatives under the umbrella of digital transformation, T-Linx™ SaaS connects software and hardware, for banks, merchants, and consumers, in the form of cloud services in a compliant, safe and user-friendly manner.

The T-Linx™ SaaS platform has connected and serves four main types of platform partners.

### Four major interconnected services of T-Linx™ SaaS platform

In the digital transformation trend of the world and China, in order to better describe the Company's business, we have reclassified the Company's business revenue streams into the following SaaS services categories. Externally, the market can then better understand the Company's business categories and scope. Internally, the company can better formulate policies and resource allocation.

1. SaaS cloud service
  - (i) Payment SaaS infrastructure (IaaS, Infrastructure as a Service)
  - (ii) Payment Digital Transformation SaaS service (merchant solutions/industry applications)
2. SaaS for hardware IoT
3. SaaS for rights/interests/points/marketing/promotion
4. SaaS financial service
  - Buy Now, Pay Later (BNPL) service

## Commentary on the operations and results (Cont'd)

### Outlook

The successful rollout program and adoption of T-Linx™ SaaS platform by both Banks and Merchants over FY2021 has led to FTC's T-Linx™ attraction to in a greater number of industries and provinces in China. This will lead to increased aggregate transaction volume through the Bank-Merchant network at provincial, city and country levels.

Revenue for FY2021 resulted from the exploitation of T-linx™ related products and services representing the Company's main business stream. In FY2021, notwithstanding the impact of the COVID-19 epidemic, revenue from T-linx™ grew from RMB35.6 million in FY2020 to RMB54.5 million in FY2021. Despite some the current economic conditions management expects revenue from T-linx™ to continue growing steadily in FY2022.

#### *Continuous advancement in integrated payments:*

As digital transformation evolves, FTC continues to strictly adhere to national laws and regulations, privacy protection and other compliance policies while actively implementing the acceptance environment of various payment methods at merchants in accordance with their needs, including but not limited to QR codes, physical cards (bank cards and prepaid cards), electronic wallets and facial recognition. For new payment methods which emerge (including but not limited to China's National Digital Currency), FTC will, integrate all popular payment methods into the T-Linx™ SaaS solution to provide banks, merchants and partners with the most comprehensive payment upgrade services.

#### *New SaaS financial service — BNPL:*

T-Linx™'s new consumer financing function module can easily implement BNPL functionality for banks that are using the T-Linx SaaS platform, and seamlessly connect with existing merchants to fulfill consumers' entire consumption experience. It allows banks to promote consumer financial services in various payment scenarios through T-Linx™ SaaS by independently performing risk control, full-process lending review, credit lending and repayments. By using this BNPL service, merchants are able to promote customer interest and sales volume while only bearing a small amount of BNPL discount fee. Moreover, consumers, not necessarily a credit card holder, can enjoy BNPL instalment plans with more favourable terms.

Most importantly, this business direction is in full compliance with prevailing laws and regulations. FTC receives technical services fee ranging 0.5%-1% of gross transaction volume generated from this consumer financing function module (BNPL platform).

#### *New form of SaaS cloud service — Partnering with cloud service infrastructure companies:*

Partner with various well-known cloud service infrastructure companies to promote the T-Linx™ SaaS service platform to more banks, corporates, manufactures, merchants, SME, and personal use. Expand the use of merchant solutions (industry applications), forming a new digital transformation business, "SaaS cloud services + hardware IoT networking".

Management is pleased with the recognition of FTC and T-Linx™ SaaS platform from banking industry and local government.

FTC is focused on expanding its overall banking market share in Greater China and eventually overseas. FTC will continue improve and enhance its T-Linx™ SaaS platform related products and services with a view to increasing revenue and gross profit for shareholders.

**UNAUDITED PRELIMINARY CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	2021 RMB	2020 RMB
<b>Revenue</b>	2	<b>54,547,919</b>	35,637,780
Cost of sales and services rendered		<b>(26,898,342)</b>	(16,189,900)
<b>Gross profit</b>		<b>27,649,577</b>	19,447,880
Other income and gains, net	4	<b>2,461,845</b>	511,130
Selling expenses		<b>(1,321,524)</b>	(2,438,071)
Impairment losses under expected credit loss model, net of reversal		<b>(623,852)</b>	(299,674)
General and administrative expenses		<b>(16,787,674)</b>	(16,077,396)
Unrealised gain on change of fair value of embedded derivatives of convertible bonds, net		<b>521,886</b>	4,304,144
Gain on extinguishment arising from modification of convertible bonds		-	1,045,241
Gain on modification of convertible bond		<b>394,563</b>	103,204
Loss on deregistration of subsidiaries		-	(229,876)
Finance costs		<b>(2,185,025)</b>	(3,155,842)
<b>Profit before tax</b>		<b>10,109,796</b>	3,210,740
<b>Income tax expense</b>		-	-
<b>Profit and total comprehensive income for the year</b>		<b>10,109,796</b>	3,210,740
<b>Profit and total comprehensive income for the year attributable to:</b>			
Owners of the Company		<b>10,460,357</b>	3,526,883
Non-controlling interests		<b>(350,561)</b>	(316,143)
		<b>10,109,796</b>	3,210,740
<b>Earnings per share (RMB)</b>			
Basic		<b>0.0161</b>	0.0054
Diluted		<b>0.0150</b>	0.0022

**UNAUDITED PRELIMINARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AT 31 MARCH 2021**

	Notes	2021 RMB	2020 RMB
<b>NON-CURRENT ASSETS</b>			
Plant and equipment		586,565	849,675
Intangible assets		65,516	176,972
Interests in associates	6	-	-
Right-of-use asset		2,401,270	-
		<b>3,053,351</b>	<b>1,026,647</b>
<b>CURRENT ASSETS</b>			
Inventories		774,178	544,906
Trade and other receivables		29,147,358	22,333,213
Bank balances and cash		6,309,150	3,791,018
		<b>36,230,686</b>	<b>26,669,137</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		14,976,656	13,604,552
Contract liabilities		1,546,659	3,507,514
Other borrowing		2,244,774	2,304,759
Convertible bonds		6,009,226	12,235,766
Lease liabilities - current portion		1,184,018	-
		<b>25,961,333</b>	<b>31,652,591</b>
<b>NET CURRENT ASSETS (LIABILITIES)</b>		<b>10,269,353</b>	<b>(4,983,454)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>13,322,704</b>	<b>(3,956,807)</b>
<b>NON-CURRENT LIABILITIES</b>			
Convertible bonds		15,265,142	10,686,194
Other payables		-	28,657
Lease liabilities - non-current portion		1,383,512	-
		<b>16,648,654</b>	<b>10,714,851</b>
<b>NET LIABILITIES</b>		<b>(3,325,950)</b>	<b>(14,671,658)</b>
<b>CAPITAL AND RESERVES</b>			
Share capital	8	87,189,117	87,189,117
Reserves		(88,996,280)	(100,692,549)
<b>Equity attributable to owners of the Company</b>		<b>(1,807,163)</b>	<b>(13,503,432)</b>
<b>Non-controlling interests</b>		<b>(1,518,787)</b>	<b>(1,168,226)</b>
<b>TOTAL DEFICIT</b>		<b>(3,325,950)</b>	<b>(14,671,658)</b>

## UNAUDITED PRELIMINARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

	Attributable to owners of the Company			Sub-total RMB	Non- controlling interests RMB	Total deficit RMB
	Share capital RMB	Share option reserve RMB	Accumulated losses RMB			
At 1 April 2019	87,189,117	5,036,535	(109,630,323)	(17,404,671)	(1,094,830)	(18,499,501)
Profit (loss) and total comprehensive income (expense) for the year	-	-	3,526,883	3,526,883	(316,143)	3,210,740
Lapse of share options	-	(2,970,814)	2,970,814	-	-	-
Deregistration of subsidiaries	-	-	-	-	242,747	242,747
Recognition of equity-settled share-based payments	-	374,356	-	374,356	-	374,356
At 31 March 2020	87,189,117	2,440,077	(103,132,626)	(13,503,432)	(1,168,226)	(14,671,658)
Profit (loss) and total comprehensive income (expense) for the year	-	-	10,460,357	10,460,357	(350,561)	10,109,796
Lapse of share options	-	(947,985)	947,985	-	-	-
Recognition of equity-settled share-based payments	-	1,235,912	-	1,235,912	-	1,235,912
<b>At 31 March 2021</b>	<b>87,189,117</b>	<b>2,728,004</b>	<b>(91,724,284)</b>	<b>(1,807,163)</b>	<b>(1,518,787)</b>	<b>(3,325,950)</b>



**UNAUDITED PRELIMINARY CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2021**

	<b>2021 RMB</b>	2020 RMB
<b>NET CASH FROM (USED IN) OPERATING ACTIVITIES</b>	<b>5,131,120</b>	4,553,934
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(142,658)</b>	(130,832)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>(2,470,330)</b>	(2,921,236)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>2,518,132</b>	1,501,866
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>3,791,018</b>	2,289,152
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR, represented by bank balances and cash</b>	<b>6,309,150</b>	3,791,018

# NOTES TO THE UNAUDITED PRELIMINARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements and notes represent those of Fintech Chain Limited (the “Company”) and its subsidiaries (the “Group”).

### Basis of preparation

The financial information included in this document for the financial year ended 31 March 2021 is in the process of being audit. The financial information does not constitute the Group full financial statements for the year ended 31 March 2021, which will be approved by the Board, reported on by the auditor and filed with the Australian Securities Exchange.

The consolidated financial statements have been prepared in accordance with all applicable International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board (“IASB”), which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards (“IASs”) and Interpretations issued by the International Accounting Standards Board (“IASB”). As Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), are derived from and consistent with IFRSs, the consolidated financial statements also comply with HKFRSs. The consolidated financial statements also comply with the requirements of the Hong Kong Companies Ordinance.

The unaudited financial information set out on page 11 to 19 for the year ended 31 March 2021 has been prepared on the basis of accounting policies and methods of computation consistent with those applied in the 31 March 2020 financial statements contained within the Annual Report of the Group.

As required, and unless otherwise stated, comparative statutory financial information for the Group has been presented for the 2020 financial year.

All amounts are express in RMB unless otherwise stated. The Group’s presentation currency is RMB. The functional currency of the majority of its operation is RMB.

## NOTES TO THE UNAUDITED PRELIMINARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 2. REVENUE

#### Disaggregation of revenue from contracts with customers

	2021 RMB	2020 RMB
<b>Types of goods and services</b>		
Software as a Service (“SaaS”) cloud service	29,607,535	23,021,529
SaaS for hardware Internet of Things (“IoT”)	23,695,112	10,912,712
SaaS for rights/interests/points/marketing/promotion	53,093	-
<b>Total</b>	<b>53,355,740</b>	<b>33,934,241</b>
<b>Timing of revenue recognition</b>		
Over time	5,782,082	13,630,528
A point of time	47,573,658	20,303,713
<b>Total</b>	<b>53,355,740</b>	<b>33,934,241</b>
<b>Geographical markets</b>		
Mainland China	53,355,740	33,934,241

During the year ended 31 March 2021, in order to better describe the company's business and keep in line with the development trend to the world and China and to better formulate development policies and resource allocation of the Company, the Directors have disaggregated the Company's revenue by various SaaS.

The Company mainly provide the following SaaS services:

- SaaS cloud services that include the provision of system development services and information technology services;
- SaaS hardware IoT that include sale of point-of-sale machine and other hardware; and
- SaaS for rights/interests/points/marketing/promotion

## NOTES TO THE UNAUDITED PRELIMINARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 2. REVENUE - Continued

Set out below is the reconciliation of the revenue from contracts with customers with the amount disclosed in segment information

		<b>2021</b>	2020
		<b>RMB</b>	RMB
SaaS cloud service		<b>29,607,535</b>	23,021,529
SaaS for hardware IoT		<b>23,695,112</b>	10,912,712
SaaS for rights/interests/points/marketing/promotion		<b>53,093</b>	-
Revenue from contracts with customer	(a)	<b>53,355,740</b>	33,934,241
Leases of point-of-sale machines	(b)	<b>1,192,179</b>	1,703,539
<b>Total revenue</b>		<b>54,547,919</b>	35,637,780

### 3. SEGMENT INFORMATION

The Group manages its business by divisions which are organised from the services perspective.

Information reported to the board of directors of the Company (the "Board"), being the chief operating decision maker, for the purpose of resources allocation and performance assessment, the Group's operating activities are attributable to a single operating segment as the revenue are derived from SaaS cloud service, SaaS for hardware IoT and SaaS for rights/interests/points/marketing/promotion Accordingly, no segment analysis is presented other than entity-wide disclosures.

#### Geographical information

The Group's operations are located in PRC.

Information about the Group's revenue from external customers is presented based on the location of the operations.

	<b>Revenue from external customers</b>	
	<b>2021</b>	2020
	<b>RMB</b>	RMB
PRC	<b>54,547,919</b>	35,637,780

#### Information about major customers

An analysis of revenue from customers contributing 10% or more of the Group's total revenue is as follows:

	<b>2021</b>	2020
	<b>RMB</b>	RMB
Customer A	<b>7,584,358</b>	N/A <sup>1</sup>
Customer B	<b>N/A<sup>1</sup></b>	3,699,406
Customer C	<b>7,396,965</b>	N/A <sup>1</sup>
Customer D	<b>N/A<sup>1</sup></b>	4,613,208
Customer E	<b>11,256,588</b>	4,212,661

<sup>1</sup> The corresponding revenue did not contributing over 10% of the total revenue of the Group.

## NOTES TO THE UNAUDITED PRELIMINARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 5. OTHER INCOME AND GAINS, NET

	2021 RMB	2020 RMB
Interest income on bank deposits	21,110	4,661
Sundry income	289,621	283,716
Government grants (Note below)	2,149,721	45,814
Gain on disposals of property, plant and equipment	1,393	-
Sales of scrap, net	-	176,939
	<b>2,461,845</b>	<b>511,130</b>

Note:

During the year ended 31 March 2021, the Group successfully obtained further grants of RMB2,149,721 (2020: RMB28,000) in aggregate from several government authorities in the PRC for the purpose of encouragement of development of intellectual properties. During the year ended 31 March 2020, the government grant of RMB17,814 was related to the encouragement the stability of staff force. There are no unfulfilled conditions or contingencies attached to these grants recognised in profit or loss.

### 5. DIVIDENDS

No dividends was paid or proposed for ordinary shareholders of the Company during the year ended 31 March 2021, nor have any dividend been proposed since the end of reporting period (2020: Nil).

## NOTES TO THE UNAUDITED PRELIMINARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 6. INTERESTS IN ASSOCIATES

	2021 RMB	2020 RMB
Cost of investments	4,811,752	5,478,419
Share of post-acquisition losses and other comprehensive expense	(4,811,752)	(5,478,419)
<hr/>		
Share of net assets	-	-

The particulars of all associates of the Group, which are unlisted corporate entities, are as follows:

Name of associate	Place of incorporation and type of legal entity	Principal activities and place of operation	Registered capital	Proportion of ownership interest held by the Group		Proportion of voting rights held by the Group	
				2021	2020	2021	2020
Shenzhen Intelligent Preferential Pay Company Limited* ("IPP") (深圳市智惠付信息技術有限公司) (Note a)	PRC, limited liability company	Provision of e-commerce, information technology consultancy services, electronic promotion services and electronic messaging information services	RMB2,000,000	32.5%	37.5%	32.5%	37.5%
Shenzhen Dashouhou Information Technology Co., Ltd.* (深圳市大售后信息技術有限公司)	PRC, limited liability company	Provision of E-commerce system development and information technology services	RMB1,000,000	47.5%	47.5%	47.5%	47.5%
TTG Fintech Services Limited	Hong Kong, limited liability company	Provision of E-commerce system development and information technology services	HK\$1,000,000	40%	40%	40%	40%

\* The English translation of the company name is for reference only. The official name of these companies is in Chinese.

Note:

- (a) IPP operates in the PRC and is a strategic partner of the Group in developing the information technology services sector where IPP has an established customer base.

On 26 November 2020, STIT entered into a disposal agreement with an independent third party (the "Purchaser I"), whereby Purchaser I has agreed to purchase and STIT has agreed to sell 5% equity interest of IPP at a consideration of RMB1. The disposal has been completed on 4 December 2020, resulted in a gain on disposal of partial equity interest in an associate of HK\$1.

All of the associates of the Group are accounted for using the equity method in the consolidated financial statements.

## NOTES TO THE UNAUDITED PRELIMINARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 6. INTERESTS IN ASSOCIATES - Continued

#### Summarised financial information of material associate

Summarised financial information in respect of the Group's material associate is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with IFRSs and HKFRSs.

IPP	2021 RMB	2020 RMB
Non-current assets	2,547,591	4,095,899
Current assets	161,783	743,657
Current liabilities	(5,722,681)	(6,826,402)
<b>Net liabilities</b>	<b>(3,013,307)</b>	<b>(1,986,846)</b>
<b>Revenue</b>	<b>3,882,522</b>	<b>6,376,923</b>
(Loss) profit and total comprehensive (expense) income for the year	(1,026,461)	1,249,617
Dividends received from the associate during the year	-	-

Reconciled of the above summarised financial information to the carrying amount of the interest in an associates recognised in the consolidated financial statements:

	2021 RMB	2020 RMB
Net liabilities of IPP	(3,013,307)	(1,986,846)
Proportion of the Group's ownership interest in IPP	32.5%	37.5%
Carrying amount of the Group's interest in IPP	-	-

#### Aggregate information of associates that are not individually material

	2021 RMB	2020 RMB
Aggregate carrying amount of individually immaterial associates in the consolidated financial statements	-	-
Aggregate amount of the Group's share of these associates	-	-
Loss and total comprehensive expense for the year	-	-
	2021 RMB	2020 RMB
The unrecognised share of loss of associates for the year	531,399	110,843
Cumulative unrecognised share of loss of associates	2,256,544	1,725,145

The Group discontinued recognising its share of further losses which exceeds its interests in all associates.

## NOTES TO THE UNAUDITED PRELIMINARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 7. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

#### (a) General information of subsidiaries

Details of the principal subsidiaries directly and indirectly held by the Company at the end of the reporting period are set out below:

Name of subsidiary	Place of establishment and business	Principal activities	Particulars of issued and paid up registered capital	Proportion of ownership interest held by the Company				Proportion of voting power held by the Company			
				Directly 2021	Indirectly 2021	Directly 2020	Indirectly 2020	Directly 2021	Indirectly 2021	Directly 2020	Indirectly 2020
STIT* (深圳市淘淘谷信息技術有限公司)	The PRC (港资独资企业)	Provision of system development and information technology services	Paid up registered capital of HK\$77,000,000 (2020: HK\$77,000,000) (Note(c)(i))	100%	-	100%	-	100%	-	100%	-
Shenzhen Tao-taogu E-commerce Co., Limited.* (深圳市淘淘谷電子商務有限公司) ("STEC")#	The PRC (Domestic-funded)	Provision of E-commerce system development and information technology services	Paid up registered capital of RMB1,000,000 (2020: RMB1,000,000) (Note(c)(ii))	-	(Note (a))	-	(Note (a))	-	(Note (a))	-	(Note (a))
Shenzhen Tao-taogu Investment Co., Limited.* (深圳市淘淘谷投資有限公司) ("ST Investment")#	The PRC (Domestic-funded)	Provision of investment management and consultancy services	Paid up registered capital of RMB1,000,000 (2020: RMB1,000,000)	-	(Note (b))	-	(Note (b))	-	(Note (b))	-	(Note (b))



**NOTES TO THE UNAUDITED PRELIMINARY CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**7. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY - Continued**

**(a) General information of subsidiaries - continued**

Details of the principal subsidiaries directly and indirectly held by the Company at the end of the reporting period are set out below: - continued

Name of subsidiary	Place of establishment and business	Principal activities	Particulars of issued and paid up registered capital	Proportion of ownership interest held by the Company				Proportion of voting power held by the Company			
				Directly 2021	Indirectly 2021	Directly 2020	Indirectly 2020	Directly 2021	Indirectly 2021	Directly 2020	Indirectly 2020
Jiangxi Tao-taogu E-commerce Co., Limited* (江西淘淘谷電子商務有限公司) ("JTEC")#	The PRC (Domestic-funded)	Investment holding	Paid up registered capital of RMB200,000 (2020: RMB200,000) Unpaid up portion of RMB180,000 (Note(c)(iii))	-	92%	-	92%	-	92%	-	92%
Jiangxi Kelaihui E-commerce Co., Limited* (江西客來惠信息技術有限公司) ("JKLH")#	The PRC (Domestic-funded)	Sales of accessories of point-of-sales machine	Nil paid up registered capital (2020: Nil) Unpaid up portion of RMB10,000,000 (Note(c)(iv))	-	92%	-	92%	-	92%	-	92%

\* English name is for identification purpose only

# Wholly domestic owned enterprise

## NOTES TO THE UNAUDITED PRELIMINARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 7. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY - Continued

#### (a) General information of subsidiaries - continued

The above table lists the subsidiaries of the Company which, in the opinion of the Directors, principally affected results, assets or liabilities of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

None of the subsidiaries had issued any debt securities at the end of the year.

Notes:

- (a) On 2 July 2013, STIT, a wholly-owned subsidiary of the Company, entered into an agreement (the "Agreement") with Mr. Xiong Qiang, a director and a shareholder of the Company and Ms. Ling Fang, the wife of Mr. Xiong Qiang to obtain control in STEC, a company established in the PRC. The Group does not hold any ownership interests in STEC. However, based on the terms of the Agreement under which STEC was acquired, the Group receives substantially all of the returns related to its operations and net assets and has the power to direct STEC's activities that most significantly affect these returns.
- (b) The Group does not hold any ownership interests in ST Investment. However, based on the terms of agreement under which ST Investment was established, the Group receives substantially all of the returns related to its operations and net assets and has the power to direct ST Investment's activities that most significantly affect these returns.
- (c)
  - (i) As at 31 March 2021, the registered capital of STIT was HK\$90,000,000 (2020: HK\$90,000,000) of which HK\$77,000,000 (2020: HK\$77,000,000) was paid up.
  - (ii) As at 31 March 2021, the registered capital of STEC was RMB2,000,000 (2020: RMB2,000,000) of which RMB1,000,000 was paid up.
  - (iii) As at 31 March 2021, the registered capital of JTEC was RMB2,000,000 (2020: RMB2,000,000) of which RMB200,000 (2020: RMB200,000) was paid up.
  - (iv) As at 31 March 2021, the registered capital of JKLH was RMB10,000,000 (2020: RMB10,000,000) of which RMBNil (2020: RMBNil) was paid up.

## NOTES TO THE UNAUDITED PRELIMINARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 7. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY - Continued

(a) General information of subsidiaries - continued

At the end of the reporting period, the Company has other subsidiaries that are not material to the Group. A majority of these subsidiaries operate in the PRC. The principal activities of these subsidiaries are summarised as follows:

Principal activities	Principal place of business	Number of subsidiaries	
		2021	2020
Not yet commenced business	Hong Kong	<u>3</u>	<u>3</u>

### 8. SHARE CAPITAL

	Number of ordinary shares	HK\$	RMB equivalent
<b>Issued and fully paid:</b>			
At 31 March 2020 and <b>31 March 2021</b>	<b>650,769,591</b>	<b>117,194,865</b>	<b>87,189,117</b>

### 9. STATUS OF AUDIT REVIEW

This report is based on accounts which are in process of being audited or subject to review.