



FINTEC
GLOBAL BERHAD

FINTEC GLOBAL BERHAD

(Company No. 200701016619 (774628-U))
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 4TH QUARTER AND PERIOD ENDING 31 MARCH 2020**

Fintec Global Berhad

(Company No. 200701016619 (774628-U))
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE 4TH QUARTER AND PERIOD ENDING 31 MARCH 2020

(The figures have not been audited)

	Quarter Ended			Year-To-Date Ended			
	31.03.2020 RM'000	31.03.2019 RM'000	Changes %	31.03.2020 RM'000	31.03.2019 RM'000 (Audited)	Changes %	
Revenue	6,235	518	1103.7	20,423	15,357	33.0	
Cost of sales	(6,243)	(1,170)	(433.6)	(19,791)	(14,113)	(40.2)	
Gross profit	(8)	(652)	(98.8)	632	1,244	(49.2)	
Other operating income	4,232	1,059	299.6	5,486	3,222	70.3	
Operating expenses	(12,953)	(7,991)	(62.1)	(21,348)	(6,037)	(253.6)	
Fair value gain/(loss) on investment securities	63,043	(5,566)	1232.6	242,207	(38,333)	731.8	
Finance costs	(284)	(28)	-	(294)	(153)	(92.2)	
Profit/(Loss) before taxation	54,030	(13,178)	510.0	226,683	(40,057)	665.9	
Tax income	-	-	-	-	6	-	
Profit/(Loss) for the period	54,030	(13,178)	510.0	226,683	(40,051)	666.0	
Other comprehensive income/(loss): <u>Items that may be subsequently reclassified to profit or loss:</u>							
foreign operations	(126)	305	-	(164)	(46)	(256.5)	
Total comprehensive income/(loss) for the period	53,904	(12,873)	518.7	226,519	(40,097)	664.9	
Profit/(Loss) attributable to:							
Owners of the Company	54,034	(13,152)	510.8	226,692	(40,015)	666.5	
Non-controlling interest	(4)	(26)	84.6	(9)	(36)	75.0	
	54,030	(13,178)	510.0	226,683	(40,051)	(666.0)	
Total comprehensive income/(loss) attributable to:							
Owners of the Company	53,908	(12,847)	519.6	226,528	(40,061)	665.5	
Non-controlling interest	(4)	(26)	84.6	(9)	(36)	75.0	
	53,904	(12,873)	518.7	226,519	(40,097)	(664.9)	
				Quarter Ended		Year-To-Date Ended	
				31.03.2020	31.03.2019	31.03.2020	31.03.2019
				Sen per	Sen per	Sen per	Sen per
				share	share	share	share
Earnings/(Loss) Per Share attributable to equity owners of the Company (sen)							
- Basic				8.29	(2.48)	33.86	(6.72)
- Diluted				4.01	N/A	16.60	N/A

Notes:

The condensed consolidated statements of comprehensive income are prepared based on the consolidated results of the Group for the quarter ended 31 March 2020 and is to be read in conjunction with the audited consolidated financial statements for the financial year ended 31 March 2019 and the accompanying explanatory notes attached to these interim financial statements.

Fintec Global Berhad

(Company No. 200701016619 (774628-U))
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

(The figures have not been audited)

	Unaudited As at 31.03.2020 RM'000	Audited As at 31.03.2019 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	4,682	4,770
Right-of-use asset	559	-
Investment securities	358,067	97,767
	<u>363,308</u>	<u>102,537</u>
Current assets		
Receivables, deposits and prepayments	23,676	23,901
Investment securities	27,019	244
Investment in unquoted shares	-	13,092
Deposit with Financial Institution	19,853	19,242
Inventories	58	98
Current tax assets	-	351
Cash and cash equivalents	655	2,853
	<u>71,261</u>	<u>59,781</u>
TOTAL ASSETS	<u><u>434,569</u></u>	<u><u>162,318</u></u>
EQUITY AND LIABILITIES		
Share capital	119,039	96,058
ICPS	27,443	43,175
Reserves	10,740	10,904
Retained profits/(loss)	225,487	(1,205)
Total equity attributable to owners of the Company	<u>382,709</u>	<u>148,932</u>
Non-controlling interest	(1,681)	(1,672)
Total equity	<u>381,028</u>	<u>147,260</u>
Non-current liabilities		
Lease liability	485	-
Total non-current liabilities	<u>485</u>	<u>-</u>
Current liabilities		
Payables and accruals	24,129	15,058
Borrowing	28,830	-
Lease liability	97	-
Total current liabilities	<u>53,056</u>	<u>15,058</u>
Total liabilities	<u>53,541</u>	<u>15,058</u>
TOTAL EQUITY AND LIABILITIES	<u><u>434,569</u></u>	<u><u>162,318</u></u>
Net assets per share attributable to equity holders of the Company (sen)	<u>51.31</u>	<u>35.25</u>

Notes:

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The condensed consolidated statement of financial position is prepared based on the consolidated results of the Group for the quarter ended 31 March 2020 and is to be read in conjunction with the audited consolidated financial statements for the financial year ended 31 March 2019 and the accompanying explanatory notes attached to these interim financial statements.

Net assets per share is arrived at based on the total Group's net assets over the 814,301,805 ordinary shares in issue as at 31 March 2020.

Fintec Global Berhad

(Company No. 200701016619 (774628-U))

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDING 31 MARCH 2020

(The figures have not been audited)

<----- Attributable to Owners of the Company ----->
<----- Non-distributable -----> Distributable

	Share Capital RM'000	ICPS RM'000	Share Premium RM'000	Warrant Reserve RM'000	Exchange Translation Reserve RM'000	(Accumulated losses)/ Retained profits RM'000	Total RM'000	Non- controlling Interest RM'000	Total Equity RM'000
Audited									
Balance as at 1 April 2018	81,873	53,228	555	10,904	-	38,810	185,370	(1,636)	183,734
Total comprehensive profit for the period	-	-	-	-	-	(40,015)	(40,015)	(36)	(40,051)
Transaction with owners of the Company:									
Issuance of ordinary shares pursuant to conversion of ICPS	13,630	(10,053)	-	-	-	-	3,577	-	3,577
Share issuance expenses	555	-	(555)	-	-	-	-	-	-
Total transactions with owners of the Company	14,185	(10,053)	(555)	-	-	-	3,577	-	3,577
Balance as at 31 March 2019	96,058	43,175	-	10,904	-	(1,205)	148,932	(1,672)	147,260
Unaudited									
Balance as at 1 April 2019	96,058	43,175	-	10,904	-	(1,205)	148,932	(1,672)	147,260
Loss for the period	-	-	-	-	-	226,692	226,692	(9)	226,683
Other comprehensive loss	-	-	-	-	(164)	-	(164)	-	(164)
Total comprehensive loss for the period	-	-	-	-	(164)	226,692	226,528	(9)	226,519
Transaction with owners of the Company:									
Issuance of ordinary shares pursuant to conversion of ICPS	15,732	(15,732)	-	-	-	-	-	-	-
Issuance of ordinary shares pursuant to Share Issuance Scheme ("SIS")	5,288	-	-	-	-	-	5,288	-	5,288
Share issuance expenses	1,961	-	-	-	-	-	1,961	-	1,961
Total transactions with owners of the Company	22,981	(15,732)	-	-	-	-	7,249	-	7,249
Balance as at 31 March 2020	119,039	27,443	-	10,904	(164)	225,487	382,709	(1,681)	381,028

Notes:

The condensed consolidated statement of changes in equity is prepared based on the consolidated results of the Group for the quarter ended 31 March 2020 and is to be read in conjunction with the audited consolidated financial statements for the financial year ended 31 March 2019 and the accompanying explanatory notes attached to these interim financial statements.

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDING 31 MARCH 2020

(The figures have not been audited)

	Year-To-Date Ended	
	31.03.2020 RM'000	31.03.2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before tax	226,683	(40,057)
Adjustments for :		
Depreciation of property, plant and equipment	793	459
Depreciation on right-of-use asset	137	-
Dividend income	-	(166)
Interest income	-	(693)
Share-based payment reserve	1,961	-
Gain on disposal of investment securities	(121)	(411)
Fair value (gain)/loss on investment securities	(242,207)	29,438
Gain on unrealised foreign exchange	(73)	(266)
Interest expense	294	153
Interest expense on lease liability	28	-
Impairment loss on other investment	7,592	2,000
Impairment loss on PPE	1,081	-
Impairment loss on trade and other receivables	941	6,088
Reversal of impairment loss on receivables	(200)	(2,428)
Reversal of allowance for doubtful debt	(3,028)	-
Inventories written off	-	276
Operating loss before working capital changes	(6,119)	(5,607)
Changes in working capital:		
Proceeds from disposal of investment securities	19,468	14,455
Purchase of investment securities	(64,232)	(16,358)
Decrease/(increase) in inventories	40	(54)
Increase in trade and other receivables	2,896	(16,800)
Increase/(decrease) in trade and other payables	9,018	(3,516)
Cash used in operations	(38,929)	(27,880)
Income tax paid	(32)	(82)
Interest received	-	693
Net cash used in operating activities	(38,961)	(27,269)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,697)	(2,074)
Purchase of unquoted shares	-	(15,092)
Return of capital on unquoted shares	5,500	-
Net cash generated from investing activities	3,803	(17,166)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares pursuant to SIS	5,288	-
Proceeds from issuance of shares pursuant to conversion of ICPS	-	3,578
Proceeds from borrowing	28,830	-
Interest paid	(294)	(153)
Net cash generated from financing activities	33,824	3,425
Net decrease in cash and cash equivalents	(1,334)	(41,010)
Effect of exchange rate changes	(253)	-
Cash and cash equivalents at beginning of the year	22,095	63,105
Cash and cash equivalents at end of the period	<u>20,508</u>	<u>22,095</u>
<u>Cash and cash equivalents consist of:</u>		
Deposits with licensed financial institution	19,853	19,242
Cash and bank balances	655	2,853
	<u>20,508</u>	<u>22,095</u>

Notes:

The condensed consolidated statements of cash flow for the quarter ended 31 March 2020 is to be read in conjunction with the audited consolidated financial statements for the financial year ended 31 March 2019 and the accompanying explanatory notes attached to these interim financial statements.

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Part A - Explanatory Notes Pursuant to Malaysia Financial Reporting Standard ("MFRS") 134 and ACE Market Listing Requirements of Bursa Malaysia Securities Berhad

A1 Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with Malaysia Financial Reporting Standards ("MFRSs") 134: Interim Financial Reporting, International Financial Reporting Standards ("IFRSs") 134: Interim Financial Reporting and paragraph 9.22 of the ACE Market Listing Requirements ("AMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial statements should be read in conjunction with the Group's audited consolidated financial statements for the financial year ended 31 March 2019. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2019.

The accounting policies and methods of computation adopted by the Group in this interim financial statements is consistent with those adopted in the audited financial statements for the financial year ended 31 March 2019, except for the following new and amendments to MFRS which are applicable for the Group's interim financial statements for the quarter and period ending 31 March 2020.

MFRSs, Amendments to MFRSs and IC Interpretation

MFRS 16 Leases

Amendments to MFRS 2 Share-based Payment

Annual Improvements to MFRSs 2015 - 2017 cycle

- Amendments to MFRS 3 Business Combination

- Amendments to MFRS 11 Joint Arrangements

- Amendments to MFRS 112 Income Taxes

- Amendments to MFRS 123 Borrowing Costs

Amendments to MFRS Presentation of Financial Statements

Amendments to MFRS Accounting Policies, Changes in Accounting Estimates and Errors

Amendments to MFRS Interim Financial Reporting

Amendments to MFRS Provisions, Contingent Liabilities and Contingent Assets

Amendments to IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments

Amendments to IC Interpretation 22 Foreign Currency Transactions and Advance Consideration

The adoption of the above standards and interpretation are not expected to have a material impact on the financial statements in the period of application except as discussed below:

MFRS 16 Leases

MFRS 16, which upon the effective date will supersede MFRS 117 Leases, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under MFRS 16, a lessee is required to recognise a right-of-use asset representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and in interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, MFRS 117.

In respect of the lessor accounting, MFRS 16 substantially carries forward the lessor accounting requirements in MFRS 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

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Part A - Explanatory Notes Pursuant to Malaysia Financial Reporting Standard ("MFRS") 134 and ACE Market Listing Requirements of Bursa Malaysia Securities Berhad

A1 Basis of preparation (cont'd) MFRS 16 Leases (cont'd)

The Group and the Company have applied MFRS 16 in the current financial year ending 31 March 2020. The Group recognises the right-of-use asset and lease liability as below:-

Group	Year-to-date Ended 31.03.2020 RM'000
Non-current assets	
Right-of-use assets	559
Non-current liabilities	
Lease liabilities	485
Current liabilities	
Lease liabilities	97
Total lease liabilities	582

MFRS 9 Financial Instruments

MFRS 9 introduces new requirements for classification and measurement of financial assets, impairment of assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in MFRS 9 are based on expected credit loss model and replace the MFRS 139 Financial Instruments: Recognition and Measurement incurred loss model.

MFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The Group applied the new standard without restating comparative information and recognises any difference between the previous carrying amount and the carrying amount at the beginning of the annual reporting period at the date of initial application in the opening retained earnings. Based on the preliminary assessment of the adoption of MFRS 9, the Group concluded that the new standard did not have a significant impact to the interim financial statements.

The Group applied the simplified approach and assessed the lifetime expected losses on trade receivable, which did not have a material impact on the impairment allowance.

MFRS 15 Revenue from Contracts with Customers

MFRS 15 establishes a single comprehensive model for revenue recognition. Under MFRS 15, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new standard will supersede all current revenue recognition requirements under MFRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018.

MFRS 15 provides a single model for accounting for revenue arising from contracts with customers, focusing on the identification and satisfaction of performance obligations, i.e. when 'control' of the distinct promised goods or services underlying the particular performance obligation is transferred to the customers.

The adoption of this new MFRS 15 did not have a significant impact on the results and financial position of the Group.

A2 Auditors' report on preceding annual financial

There were no audit qualifications in relation to the audited consolidated financial statements of the Group for the financial year ended 31 March 2019.

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Part A - Explanatory Notes Pursuant to Malaysia Financial Reporting Standard ("MFRS") 134 and ACE Market Listing Requirements of Bursa Malaysia Securities Berhad

A3 Seasonal or cyclical factors

There were no significant seasonal or cyclical factors that will materially affect the business of the Group in current period. However, the Group's results are largely influenced by, amongst others, the market prices of quoted investments as well as the timing of disposal of investments by the Group.

A4 Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter and financial period ending 31 March 2020.

A5 Material changes in estimates

There were no changes in estimates that have a material effect in the current financial quarter and financial period ending 31 March 2020.

A6 Debt and equity securities

Save as disclosed in the following, there were no issuance, cancellations, repurchases, resale and repayment of debt and equity securities, share buy backs, share cancellation, shares held as treasury share and resale of treasury shares during the current financial quarter and financial period ending 31 March 2020.

a) During the financial period ending 31 March 2020, the Company issued new ordinary shares pursuant to the conversion of ICPS are as below:

	Quarter Ended 31.03.2020		Year-To-Date Ended 31.03.2020	
	No. of shares '000	RM'000	No. of shares '000	RM'000
Conversion of ICPS	16,494	2,639	98,326	15,732

b) During the financial period ending 31 March 2020, the Company issued new ordinary shares pursuant to SIS exercise are as below:

	Quarter Ended 31.03.2020		Year-To-Date Ended 31.03.2020	
	No. of shares '000	RM'000	No. of shares '000	RM'000
SIS exercise	52,000	2,430	104,971	5,288

A7 Dividend paid

There were no dividends paid by the Group during the financial quarter ended 31 March 2020.

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Part A - Explanatory Notes Pursuant to Malaysia Financial Reporting Standard ("MFRS") 134 and ACE Market Listing Requirements of Bursa Malaysia Securities Berhad

A8 Segmental information

Segment information based on the Group's activities is set out below. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Cumulative Quarter Ended 31 March 2020

	Incubation RM'000	Portfolio Investment RM'000	Green Technology products RM'000	O & G services RM'000	Trading RM'000	Eliminati on RM'000	Group RM'000
Revenue							
External sales	-	19,468	-	-	955	-	20,423
Intersegment revenue	-	-	-	-	-	-	-
	-	19,468	-	-	955	-	20,423
Results from operating activities	-	234,094	(277)	3,081	(2,083)		234,815
Finance costs		(294)					(294)
Net unallocated expenses							(7,838)
Profit before taxation							226,683
Tax expense		-					-
Profit for the period							226,683
Segment assets	13,596	411,422	4,204	-	4,803		434,025
Unallocated assets							544
Total assets							434,569
Segment liabilities	9,256	40,682	249	2,772	582		53,541
Unallocated liabilities							-
Total liabilities							53,541

A9 Valuation of property, plant and equipment

There was no valuation of the property, plant and equipment during the current financial quarter and period ending 31 March 2020.

A10 Material events subsequent to the end of the quarter

Save as disclosed in Note B11, there were no material events occurring subsequent to the end of the current quarter.

A11 Changes in the composition of the Group

Save as disclosed in Note B11, there were no changes in the composition of the Group during the current quarter and period ending 31 March 2020.

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Part A - Explanatory Notes Pursuant to Malaysia Financial Reporting Standard ("MFRS") 134 and ACE Market Listing Requirements of Bursa Malaysia Securities Berhad

A12 Contingent liabilities

The Directors are of the opinion that the Group has no contingent liabilities which, upon crystallisation would have a material impact on the financial position and business of the Group as at the reporting date.

A13 Capital commitments

As at 31 March 2020, the Group has no material capital commitments.

A14 Related party transactions

During the financial quarter ended 31 March 2020, the Directors are of the opinion that the Group has no related party transactions which would have a significant impact on the financial position and business of the Group.

A15 Additional Disclosure Requirements to the Statements of Comprehensive Income

	Quarter Ended		Year-To-Date Ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	RM'000	RM'000	RM'000	RM'000
Interest income	-	135	-	1,219
Other income	-	360	427	360
Interest expense	(284)	(28)	(294)	(153)
Interest expense on lease liability	(29)	-	(29)	-
Depreciation and amortisation	(170)	(112)	(793)	(400)
Depreciation of right-of-use asset	(137)	-	(137)	-
Impairment loss on trade and other receivables	-	(553)	(941)	(3,590)
Reversal of impairment loss on other receivables	200	-	200	-
Reversal of allowance for doubtful debt	3,028	-	3,028	-
Impairment of investments	(7,592)	(4,498)	(7,592)	(4,498)
Impairment of fixed assets	(981)	-	(1,081)	-
Fair value gain/(loss) on marketable securities	63,043	(5,566)	242,207	(29,438)
Unrealised foreign exchange (loss)/gain	(402)	(376)	73	266

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Part B - Disclosure requirements as set out in Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities

B1 Performance review

a) Current Quarter vs. Previous Year Corresponding Quarter

Key Profit or Loss items:	Quarter Ended			Changes	%
	31.03.2020	31.03.2019			
	RM'000	RM'000	RM'000		
Revenue	6,235	518	5,717		1103.7
Profit/(loss) Before Tax	54,030	(13,178)	67,208		510.0
Net profit/(loss) attributable to equity holders	54,034	(13,152)	67,186		510.8

The Group recorded a revenue of RM6.24 million for the quarter ended 31 March 2020, representing an increase of RM5.72 million or 11x higher as compared to RM0.52 million in the previous year's corresponding quarter. The revenue for the quarter was generated from the sale of marketable securities.

The Group recorded a profit before tax of RM54.03 million for the quarter ended 31 March 2020 as compared to a loss before tax of RM13.18 million in the corresponding quarter ended 31 March 2019 and the net profit attributable to equity holders was RM54.03 million, representing an increase of RM67.19 million or 5.1x higher as compared to a net loss attributable to equity holders of RM13.15 million in previous year's corresponding quarter.

The increase in profit was principally due to mark-to-market gain in the Group's long term marketable securities.

Performance of the respective operating business segments for the 4th quarter ending 31 March 2020 as compared to the previous corresponding quarter is analysed as follows:-

Profit/(Loss) Before Tax by Segments	Quarter Ended			Changes	%
	31.03.2020	31.03.2019			
	RM'000	RM'000	RM'000		
Portfolio investment	54,132	(9,969)	64,101		643.0
Green technology products	(32)	(67)	35		52.2
O & G services	3,221	(316)	3,537		1119.3
Trading	(357)	(1,196)	839		70.2

Portfolio investment

Profit before tax increased by RM64.10 million (6.4x) to RM54.13 million which was mainly due to the positive performance in market prices of the Group's strategic investments in Malaysia.

Green technology products

Loss before tax decreased by RM0.04 million (52.2%) to RM0.03 million, mainly due to the decrease in operating expenses.

O & G services

Loss before tax decreased by RM3.54 million to a profit before tax of RM3.22 million. This was mainly due to the reversal of impairment loss on other receivables of RM0.20 million and a reversal of allowance of doubtful debts of RM3.03 million in the current quarter.

Trading

Loss before tax decreased by RM0.84 million to RM0.36 million. This was mainly due to the decrease in operating expenses resulted from the slow moving business affected by the current condition in Hong Kong.

(b) Current Year-to-date vs. Previous Year-to-date

Key Profit or Loss items:	Year-To-Date Ended			Changes	%
	31.03.2020	31.03.2019			
	RM'000	RM'000	RM'000		
Revenue	20,423	15,357	5,066		33.0
Profit/(loss) Before Tax	226,683	(40,057)	266,740		665.9
Net profit/(loss) attributable to equity holders	226,692	(40,015)	266,707		666.5

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Part B - Disclosure requirements as set out in Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities

B1 Performance review (Cont'd)

b) Current Year-to-date vs. Previous Year-to-date (Cont'd)

Key Balance Sheet Items:	Year-To-Date Ended			
	31.03.2020 RM'000	31.03.2019 RM'000	Changes RM'000	%
Investment securities :-				
Non-current	358,067	97,767	260,300	266.2
Current	27,019	244	26,775	10,973.4
	<u>385,086</u>	<u>98,011</u>	<u>287,075</u>	<u>292.9</u>
Trade and other payables	24,129	15,058	9,071	(60.2)

The Group's revenue for the period ending 31 March 2020 stood at RM20.42 million, an increase of RM5.07 million or 33% as compared to RM15.36 million in the previous year's corresponding period. The revenue for the quarter was mainly generated from the sale of marketable securities.

The Group made a profit before tax of RM226.68 million for the period ending 31 March 2020 as opposed to loss before tax of RM40.06 million in the corresponding period ending 31 March 2019 and the net profit attributable to equity holders was RM226.69 million, an increase of profit of RM266.71 million or 6.7x as compared to the net loss attributable to equity holders of RM40.02 million in previous year's corresponding period.

The increase of profit was mainly due to mark-to-market gain in the Group's long term marketable securities.

The Group's investment in marketable securities increased by RM287.08 million or 2.9x to RM385.09 million as at 31 March 2020 as compared to RM98.01 million as at 31 March 2019, which was mainly due to fair value gain on quoted securities.

Total trade and other payables increased by 60.2% or RM9.07 million over the same period to RM24.13 million as at 31 March 2020, which was mainly due to the payables for the medium to long term portfolio investments.

Performance of the respective operating business segments for the period ending 31 March 2020 as compared to the previous corresponding period is analysed as follows:-

Profit/(Loss) Before Tax by Segments	Year-To-Date Ended			
	31.03.2020 RM'000	31.03.2019 RM'000	Changes RM'000	%
Portfolio investment	233,800	(33,022)	266,822	808.0
Green technology products	(277)	(261)	(16)	(6.1)
O & G services	3,081	(1,598)	4,679	292.8
Trading	(2,083)	(1,196)	(887)	(74.2)

Portfolio investment

Profit before tax increased by RM266.82 million (8.1x) to RM233.80 million which was mainly due to the positive performance in market prices of the Group's strategic investments in Malaysia.

Green technology products

Loss before tax increased by RM0.02 million (6.1%) to RM0.28 million which was mainly due to impairment loss on fixed assets and other receivables of RM0.09 million and RM0.3 million respectively. This was due to discontinued of operation in the green technology products. However, this was cushioned by an other income received from the disposal of investment in unquoted shares.

O & G services

Loss before tax decreased by RM4.68 million (2.9x) to a profit before tax of RM3.08 million. The decrease in loss was mainly due to the reversal of impairment loss on other receivables, reversal of allowance of doubtful debts and the decrease in operating expenses and progress billing written off in the previous year corresponding period.

Trading

Loss before tax increased by RM0.89 million (74.2%) to RM2.08 million. This was mainly due to the start-up operating expenses incurred for the e-commerce trading and the decrease in revenue resulted from the slow moving business affected by the current condition in Hong Kong.

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B2 Variation of results against immediate preceding quarter

	<u>Current quarter</u>	<u>Preceding quarter</u>	
	<u>31.03.2020</u>	<u>31.12.2019</u>	<u>Changes</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>%</u>
Revenue	6,235	4,160	49.9
Profit before taxation	54,030	76,491	(29.4)

The Group registered a revenue of RM6.24 million for the current quarter ended 31 March 2020, an increase of RM2.08 million or 50% higher as compared to RM4.16 million for the immediate preceding quarter ended 31 December 2019. The increase in revenue was mainly due to the sale of short term marketable securities.

Profit before taxation incurred by the Group for the 4th quarter ended 31 March 2020 was RM54.03 million, a decrease of RM22.46 million or 29.4% as compared to a profit before tax of RM76.49 million in the preceding quarter. The decrease in profit before tax was mainly due to the decrease in fair value gain in the Group's marketable securities.

B3 Prospects

In Bank Negara Malaysia ("BNM") 2019 Annual Report, BNM projected Malaysia's Gross Domestic Product ("GDP") growth to between -2% to 0.5% in 2020 due to the highly challenging global economic outlook, mainly due to the Covid-19 pandemic. The International Monetary Fund ("IMF") in its April 2020 World Economic Outlook report, projected the global economy to contract sharply to -3% in 2020 from its earlier growth forecast of 3.3% made in January 2020, arising from the Covid-19.

Despite the challenging global and local market forces, the Group has adopted a cautious yet prudent approach to strategize the business initiatives based on current market situations. In addition to the existing investment portfolio in solar energy, engineering, food & beverage, financial & information technology, property investment holdings, manufacturing of ceramic tiles and property development, the Group is seeking opportunity to include its investment strategy to invest into healthcare equipment manufacturing and/or trading business. The Group intends to focus on the Personal Protective Equipment ("PPE") segment in view of the increase of global demand in PPE since the outbreak of Covid-19. The Group intends to take advantage of this opportunity to tap into a growing segment to maximize shareholders' return.

Subsequently, the Group is still actively examining several potential investments and incubation projects and will be making disclosures in due course.

B4 Profit forecast, profit guarantee and internal targets

The Group did not provide any profit forecast, profit guarantee or made public any internal targets for the period under review.

B5 Income tax expense

During the financial quarter ended 31 March 2020, the Group provided a provision for taxation as follow:-

	<u>Quarter Ended</u>		<u>Year-To-Date Ended</u>	
	<u>31.03.2020</u>	<u>31.03.2019</u>	<u>31.03.2020</u>	<u>31.03.2019</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Income tax - Current provision	32	-	32	-

Income tax is calculated at the Malaysian statutory tax rate of 17% of the estimated assessable profit for the current period. The effective tax rate of the Group for the current period was lower than the statutory tax rate due to certain income which was not subjected to tax.

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B6 Trade Receivables

	As at	
	31.03.2020	31.03.2019
	RM'000	RM'000
Trade receivables	6,139	3,801
Less: Allowance for impairment loss	(26)	(3,037)
	<u>6,113</u>	<u>764</u>

The ageing analysis of the Group's trade receivables to non-related parties as at 31 March 2020 is as follows:

	As at	
	31.03.2020	31.03.2019
	RM'000	RM'000
Neither past due nor impaired	6,139	3,775
Past due not impaired:		
31 - 60 days	-	-
91 - 180 days	-	-
> 181 days	-	26
Gross trade receivables	<u>6,139</u>	<u>3,801</u>
Less: Allowance for impairment loss	<u>(26)</u>	<u>(3,037)</u>
	<u>6,113</u>	<u>764</u>

B7 Group's borrowings and debt securities

The details of the Group's borrowing, which is denominated in US Dollar ("USD"), as at 31 March 2020 is as follows:

a) Group's Borrowing

	As at		As at	
	31.03.2020		31.03.2019	
	USD	RM	USD	RM
	denomination	equivalent	denomination	equivalent
	'000	'000	'000	'000
<u>Short Term - Unsecured</u> Borrowing	5,685	28,830	-	-

The short term borrowing's effective interest rate stood at 3% per annum (31 March 2019: Nil).

b) Debts securities

The Group has not issue any debts securities as at the reporting date.

B8 Material litigation

As at this reporting date, neither the Company nor its subsidiary companies are engaged in any litigation or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Company or its subsidiary companies and the Board is not aware of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the position or business of the Company or its subsidiary companies.

B9 Dividends

There were no dividends declared for the financial quarter ended 31 March 2020.

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B10 Earnings per share ("EPS")

a) Basic EPS

	Quarter Ended		Year-To-Date Ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
(Loss)/Profit attributable to the owners of the Company (RM'000)	54,034	(13,152)	226,692	(40,015)
Weighted average number of ordinary shares in issue ('000)	651,734	530,562	669,523	595,647
Basic EPS (sen)	8.29	(2.48)	33.86	(6.72)

b) Diluted EPS

	Quarter Ended		Year-To-Date Ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
(Loss)/Profit attributable to the owners of the Company (RM'000)	54,034	(13,152)	226,692	(40,015)
Weighted average number of ordinary shares in issue ('000)	651,734	530,562	669,523	595,647
Effective of dilution from conversion of ICPS ('000)	475,236	671,888	475,236	671,888
Effective of dilution from detachable warrants A ('000)	131,296	131,296	131,296	131,296
Effective of dilution from detachable warrants B ('000)	89,883	89,883	89,883	89,883
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	1,348,149	1,423,629	1,365,938	1,488,714
Diluted EPS (sen)	4.01	N/A	16.60	N/A

The diluted EPS is computed based on the profit attributable to the owners of the Company divided by the weighted average number of ordinary shares in issue during the financial period and assume the full conversion of the ICPS and warrants into ordinary shares.

B11 Status of corporate proposals

- On 14 January 2020, Fintec offered 35 million Share Issuance Scheme ("SIS") option at a subscription price of RM0.05 to an eligible employee in accordance to the by-laws of the SIS. The option was accepted by the employee on 21 January 2020 and allotted into new ordinary shares on 22 January 2020.
- On 11 February 2020, Asiabio Sdn. Bhd. ("Asiabio"), a wholly-owned subsidiary of Fintec, had entered into a supplemental agreement with Koh Hong Muan @ Koh Gak Siong and Aimas Enterprice Sdn. Bhd. for the acquisition by Asiabio, an additional 8.08 million ordinary shares from Aimas at RM0.50 per share for a total cash consideration of RM4.04 million, in addition to the first sale purchase of 32.8 million ordinary shares for a total cash consideration of RM16.40 million, announced on 17 September 2019.
- On 17 February 2020, Fintec proposed to undertake the private placement of up to 235.48 million new ordinary shares in Fintec, representing up to 30% of the total number of issued shares of Fintec, to independent third party investors. On 6 March 2020, Bursa Securities has vide its letter, approved the listing and quotation of up to 235.48 million Placement Shares to be issued to the Proposed Private Placement.
- On 25 February 2020, Fintec offered 17 million SIS option at a subscription price of RM0.04 to an eligible employee in accordance to the by-laws of the SIS. The option was accepted by the employee on 26 February 2020 and allotted into new ordinary shares on 2 March 2020.

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B12 Status of Utilisation of Proceeds

Status of utilisation of proceeds as at 31 March 2020.

	Proposed Utilisation RM'000	Actual Utilisation RM'000	Unutilised proceeds RM'000	Reallocatio n RM'000	Timeline for the utilisation of proceeds
<u>Rights issue of ICPS with warrants</u>					
i) Investment in quoted securities - Focus ICPS	10,489	-	10,489	-	by 6 December 2020
ii) Investment in quoted securities - Vsolar Rights Shares	8,200	-	8,200	-	by 6 December 2020
iii) Working capital	5,000	(5,000)	-	204	Within 24 months
iv) Investment in unquoted incubatees and/or start-up companies to be identified	47,410	(42,403)	5,007	-	Within 36 months
v) Estimated expenses	844	(640)	204	(204)	immediate
	<u>71,943</u>	<u>(48,043)</u>	<u>23,900</u>	<u>-</u>	

B13 Non-cash items to the Condensed Consolidated Statement of Comprehensive

	Quarter Ended		Year-To-Date Ended	
	31.03.2020 RM'000	31.03.2019 RM'000	31.03.2020 RM'000	31.03.2019 RM'000
Total Comprehensive Profit/(Loss)	54,030	(13,178)	226,683	(39,752)
Non-Cash items:				
Interest expenses	(284)	-	(294)	-
Interest expense on lease liability	(29)	-	(29)	-
Depreciation of property, plant and equipment	(170)	(112)	(793)	(400)
Depreciation of right-of-use asset	(137)	-	(137)	-
(Loss)/gain on unrealised foreign exchange	(402)	(376)	73	266
Impairment loss on trade and other receivables	-	(553)	(941)	(3,590)
Reversal of impairment loss on other receivables	200	-	200	-
Reversal of allowance for doubtful debt	3,028	-	3,028	-
Impairment loss on other investment	(7,592)	(4,498)	(7,592)	(4,498)
Impairment loss on property, plant & equipment	(981)	-	(1,081)	-
Gain/(loss) on change in fairvalue	63,043	(5,566)	242,207	(29,438)
Share-based payment reserve	(932)	-	(1,961)	-
	<u>55,744</u>	<u>(11,105)</u>	<u>232,680</u>	<u>(37,660)</u>
Total Comprehensive (loss) before non-cash items	<u>(1,714)</u>	<u>(2,073)</u>	<u>(5,997)</u>	<u>(2,092)</u>

B14 Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with the resolution of the Board of Directors.

On Behalf of the Board

Lim Lee Kuan
Ng Sally
Company Secretaries