



FINTEC
GLOBAL BERHAD

FINTEC GLOBAL BERHAD

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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 1ST QUARTER AND PERIOD ENDING 30 JUNE 2020**

Fintec Global Berhad

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

(The figures have not been audited)

	Unaudited As at 30.06.2020 RM'000	Audited As at 31.03.2020 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	3,720	3,848
Right-of-use asset	9,516	9,516
Investment securities	511,237	358,067
	<u>524,473</u>	<u>371,431</u>
Current assets		
Receivables, deposits and prepayments	19,747	22,253
Investment securities	24,265	27,019
Deposit with Financial Institution	19,778	19,853
Inventories	2,004	2,004
Current tax assets	-	374
Cash and cash equivalents	665	553
	<u>66,459</u>	<u>72,056</u>
TOTAL ASSETS	<u>590,932</u>	<u>443,487</u>
EQUITY AND LIABILITIES		
Share capital	128,570	119,038
ICPS	23,305	27,443
Reserves	10,669	11,141
Retained profits/(loss)	375,682	224,674
Total equity attributable to owners of the Company	<u>538,226</u>	<u>382,296</u>
Non-controlling interest	(1,682)	(1,681)
Total equity	<u>536,544</u>	<u>380,615</u>
Non-current liabilities		
Lease liability	9,322	9,322
Total non-current liabilities	<u>9,322</u>	<u>9,322</u>
Current liabilities		
Payables and accruals	15,555	24,169
Borrowing	28,960	28,830
Lease liability	551	551
Total current liabilities	<u>45,066</u>	<u>53,550</u>
Total liabilities	<u>54,388</u>	<u>62,872</u>
TOTAL EQUITY AND LIABILITIES	<u>590,932</u>	<u>443,487</u>
Net assets per share attributable to equity holders of the Company (sen)	<u>55.49</u>	<u>35.25</u>

Notes:

The condensed consolidated statement of financial position is prepared based on the consolidated results of the Group for the quarter ended 30 June 2020 and is to be read in conjunction with the audited consolidated financial statements for the financial year ended 31 March 2020 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 969,873,355 ordinary shares in issue as at 30 June 2020.

Fintec Global Berhad

(Company No. 200701016619 (774628-U))

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDING 30 JUNE 2020

(The figures have not been audited)

	Attributable to Owners of the Company							Total Equity RM'000
	Non-distributable				Distributable			
	Share Capital RM'000	ICPS 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	
Audited								
Balance as at 1 April 2019	96,058	43,175	10,904	-	(1,205)	148,932	(1,672)	147,260
Initial application of MFRS 16	-	-	-	-	(164)	(164)	-	(164)
At 1 April 2019 (after restated)	96,058	43,175	10,904	-	(1,369)	148,768	(1,672)	147,096
Total comprehensive profit for the period	-	-	-	-	226,042	226,042	(9)	226,033
Foreign currency translation differences for foreign operations	-	-	-	238	-	238	-	238
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 SIS	5,288	-	-	-	-	5,288	-	5,288
Share issuance expenses	1,960	-	-	-	-	1,960	-	1,960
Total transactions with owners of the Company	22,980	(15,732)	-	-	-	7,248	-	7,248
Balance as at 31 March 2020	119,038	27,443	10,904	238	224,673	382,296	(1,681)	380,615
Unaudited								
Balance as at 1 April 2020	119,038	27,443	10,904	238	224,673	382,296	(1,681)	380,615
Profit for the period	-	-	-	-	151,009	151,009	(1)	151,008
Other comprehensive profit	-	-	-	(473)	-	(473)	-	(473)
Total comprehensive profit for the period	-	-	-	(473)	151,009	150,536	(1)	150,535
Transaction with owners of the Company:								
Issuance of ordinary shares pursuant to conversion of ICPS	4,138	(4,138)	-	-	-	-	-	-
Issuance of ordinary shares pursuant to Share Issuance Scheme ("SIS")	2,053	-	-	-	-	2,053	-	2,053
Issuance of ordinary shares pursuant to Private Placement	2,964	-	-	-	-	2,964	-	2,964
Share issuance expenses	377	-	-	-	-	377	-	377
Total transactions with owners of the Company	9,532	(4,138)	-	-	-	5,394	-	5,394
Balance as at 31 March 2021	128,570	23,305	10,904	(235)	375,682	538,226	(1,682)	536,544

Notes:

The condensed consolidated statement of changes in equity is prepared based on the consolidated results of the Group for the quarter ended 30 June 2020 and is to be read in conjunction with the audited consolidated financial statements for the financial year ended 31 March 2020 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 30 JUNE 2020

(The figures have not been audited)

	Year-To-Date Ended	
	30.06.2020 RM'000	31.06.2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	151,008	24,469
Adjustments for :		
Depreciation of property, plant and equipment	122	187
Share-based payment reserve	377	-
Gain on disposal of investment securities	(24,214)	(362)
Fair value (gain)/loss on investment securities	(128,781)	(26,262)
Gain on unrealised foreign exchange	139	(130)
Interest expense	345	10
Impairment loss on trade and other receivables	-	82
Operating loss before working capital changes	(1,004)	(2,006)
Changes in working capital:		
Deposit with financial institution		-
Proceeds from disposal of investment securities	41,443	9,467
Purchase of investment securities	(38,864)	(9,106)
Decrease/(increase) in inventories	831	39
Increase in trade and other receivables	1,949	829
Increase/(decrease) in trade and other payables	(8,623)	227
Cash used in operations	(4,268)	(550)
Net cash used in operating activities	(4,268)	(550)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	-	(1,050)
Disposal of unquoted shares	-	3,000
Net cash generated from investing activities	-	1,950
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares pursuant to Private Placement	2,964	-
Proceeds from issuance of shares pursuant to SIS	2,053	-
Interest paid	(345)	(10)
Net cash generated from financing activities	4,672	(10)
Net decrease in cash and cash equivalents	404	1,390
Effect of exchange rate changes	(467)	29
Cash and cash equivalents at beginning of the year	20,469	22,095
Cash and cash equivalents at end of the period	20,406	23,514
<u>Cash and cash equivalents consist of:</u>		
Deposits with licensed financial institution	19,853	19,406
Cash and bank balances	553	4,108
	20,406	23,514

Notes:

The condensed consolidated statements of cash flow for the quarter ended 30 June 2020 is to be read in conjunction with the audited consolidated financial statements for the financial year ended 31 March 2020 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 2020. 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 2020.

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 2020, 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 30 June 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 30 June 2020. The Group recognises the right-of-use asset and lease liability as below:-

Group	Year-to-date Ended
	30.06.2020
	RM'000
Non-current assets	
Right-of-use assets	9516
Non-current liabilities	
Lease liabilities	9322
Current liabilities	
Lease liabilities	551
Total lease liabilities	9873

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 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

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 30 June 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 30 June 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 30 June 2020.

- a) During the financial period ending 30 June 2020, the Company issued new ordinary shares pursuant to the conversion of ICPS are as below:

	Quarter and Year-To-Date Ended 30.06.2020	
	No. of shares '000	RM'000
Conversion of ICPS	25,862	4,138

- b) During the financial period ending 30 June 2020, the Company issued new ordinary shares pursuant to SIS exercise are as below:

	Quarter and Year-To-Date Ended 30.06.2020	
	No. of shares '000	RM'000
SIS exercise	47,600	2,053

- c) During the financial period ending 30 June 2020, the Company issued new ordinary shares pursuant to private placement exercise are as below:

	Quarter and Year-To-Date Ended 30.06.2020	
	No. of shares '000	RM'000
Private Placement exercise	82,110	2,964

A7 Dividend paid

There were no dividends paid by the Group during the financial quarter ended 30 June 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 30 June 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	-	41,443	-	-	0	-	41,443
Intersegment revenue	-	-	-	-	-	-	-
	-	41,443	-	-	-	-	41,443
Results from operating activities	-	152,705	(14)	-	(352)		152,339
Finance costs		(345)					(345)
Net unallocated expenses							(986)
Profit before taxation							151,008
Tax expense		-					-
Profit for the period							151,008
Segment assets	13,386	559,239	4,112	37	13,691		590,465
Unallocated assets							467
Total assets							590,932
Segment liabilities	9,094	32,372	240	2,772	9,910		54,388
Unallocated liabilities							-
Total liabilities							54,388

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 30 June 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 30 June 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 30 June 2020, the Group has no material capital commitments.

A14 Related party transactions

During the financial quarter ended 30 June 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 and Year-To-Date Ended	
	30.06.2020	30.06.2019
	RM'000	RM'000
Other income	-	120
Interest expense	(345)	(10)
Depreciation and amortisation	(122)	(187)
Impairment loss on trade and other receivables	-	(82)
Fair value gain/(loss) on marketable securities	128,781	26,262
Unrealised foreign exchange (loss)/gain	(139)	130

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

B1 Performance review

Current Year-to-date vs. Previous Year-to-date

	Year-To-Date Ended			
	30.06.2020	30.06.2019	Changes	
Key Profit or Loss items:	RM'000	RM'000	RM'000	%
Revenue	41,443	9,689	31,754	327.7
Profit before tax	151,008	24,469	126,539	517.1
Net profit attributable to equity holders	151,009	24,471	126,538	517.1

	Year-To-Date Ended			
	30.06.2020	30.06.2019	Changes	
Key Balance Sheet Items:	RM'000	RM'000	RM'000	%
Investment securities :-				
Non-current	511,237	124,056	387,181	312.1
Current	24,265	218	24,047	11,030.7
	<u>535,502</u>	<u>124,274</u>	<u>411,228</u>	<u>330.9</u>
Trade and other payables	15,555	15,155	(400)	(2.6)

The Group's revenue for the period ending 30 June 2020 stood at RM41.4 million, an increase of RM31.8 million or 3.3x as compared to RM9.7 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 RM151 million for the period ending 30 June 2020 as compared to profit before tax of RM24.5 million in the corresponding period ending 30 June 2019 and the net profit attributable to equity holders was RM151 million, an increase of profit of RM126.5 million or 5.2x as compared to the net profit attributable to equity holders of RM24.5 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 RM411.2 million or 3.3x to RM535.5 million as at 30 June 2020 as compared to RM124.3 million as at 30 June 2019, which was mainly due to fair value gain on quoted securities.

Total trade and other payables increased by 2.6% or RM0.4 million over the same period to RM15.6 million as at 30 June 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 30 June 2020 as compared to the previous corresponding period is analysed as follows:-

	Year-To-Date Ended			
	30.06.2020	30.06.2019	Changes	
Profit/(Loss) Before Tax by Segments	RM'000	RM'000	RM'000	%
Portfolio investment	152,360	(33,022)	185,382	561.4
Green technology products	(14)	(261)	247	94.6
O & G services	-	(1,598)	1,598	100.0
Trading	(352)	(1,196)	844	70.6

Portfolio investment

Profit before tax increased by RM185.4 million (5.6x) to RM152.4 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 RM0.2 million (94.6%) to RM0.02 million which was mainly due to discontinued of operation in the green technology products.

O & G services

There was no operation carried out in this segment in the current quarter and hence there was no comparative figures to be presented.

Trading

Loss before tax decreased by RM0.8 million (70.6%) to RM0.4 million. This was mainly due to the decrease in revenue resulted from the slow moving business which was affected by the current condition in Hong Kong.

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

B2 Variation of results against immediate preceding quarter

	<u>Current quarter</u>	<u>Preceding quarter</u>	
	30.06.2020	31.03.2020	Changes
	RM'000	RM'000	%
Revenue	41,443	6,235	564.7
Profit before taxation	151,008	54,030	179.5

The Group registered a revenue of RM41.4 million for the current quarter ended 30 June 2020, an increase of RM35.2 million or 5.6x higher as compared to RM6.2 million for the immediate preceding quarter ended 31 March 2020. The increase in revenue was mainly due to the sale of short term marketable securities.

Profit before taxation incurred by the Group for the 1st quarter ended 30 June 2020 was RM151 million, an increase of RM97 million or 1.8x as compared to a profit before tax of RM54 million in the preceding quarter. The increase in profit before tax was mainly due to the increase in fair value gain in the Group's marketable securities.

B3 Prospects

In Bank Negara Malaysia's press release dated 14 August 2020, the Malaysian economy registered a contraction by 17.1% in the second quarter of 2020 (1Q 2020: 0.7%), due to a sudden stop in activities in April 2020 brought about by the Movement Control Order that restricted production and consumption activities and this resulted a significantly weak demand and production constrains. However, the Malaysian economy is expected to recover gradually in the second half of 2020 as the economy progressively re-opens and external demand improves. Therefore, the Malaysian economy is forecasted to grow within the range of -3.5% to -5.5% in 2020, before staging a rebound within a growth range of 5.5% to 8.0% in 2021.

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 has invested in the manufacturing segment, in particular in self-adhesive labels. The Group is also seeking opportunities to include in its investment strategy 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 in 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 30 June 2020, no provision for taxation is needed as the Group has adequate unabsorbed tax losses brought forward from previous years to offset the profit incurred, if any, in the current financial quarter.

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

B6 Trade Receivables

	As at	
	30.06.2020	30.06.2019
	RM'000	RM'000
Trade receivables	3,589	1,162
Less: Allowance for impairment loss	-	(82)
	<u>3,589</u>	<u>1,080</u>

The ageing analysis of the Group's trade receivables to non-related parties as at 30 June 2020 is as follows:

	As at	
	30.06.2020	30.06.2019
	RM'000	RM'000
Neither past due nor impaired	3,589	1,136
Past due not impaired:		
31 - 60 days	-	-
91 - 180 days	-	-
> 181 days	-	26
Gross trade receivables	<u>3,589</u>	<u>1,162</u>
Less: Allowance for impairment loss	-	(82)
	<u>3,589</u>	<u>1,080</u>

B7 Group's borrowings and debt securities

The details of the Group's borrowing, which is denominated in US Dollar ("USD"), as at 30 June 2020 is as follows:

a) Group's Borrowing

	As at	
	30.06.2020	30.06.2019
	USD denomination '000	RM equivalent '000
<u>Short Term - Unsecured</u> Borrowing	<u>28,960</u>	<u>-</u>

The short term borrowing's effective interest rate stood at 3% per annum (30 June 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, save as disclosed in B11, 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 30 June 2020.

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

B10 Earnings per share ("EPS")

a) Basic EPS

	Quarter and Year-To-Date Ended	
	30.06.2020	30.06.2019
Profit attributable to the owners of the Company (RM'000)	151,009	24,471
Weighted average number of ordinary shares in issue ('000)	906,516	611,414
Basic EPS (sen)	16.66	4.00

b) Diluted EPS

	Quarter and Year-To-Date Ended	
	30.06.2020	30.06.2019
Profit attributable to the owners of the Company (RM'000)	151,009	24,471
Weighted average number of ordinary shares in issue ('000)	906,516	611,414
Effective of dilution from conversion of ICPS ('000)	475,236	670,688
Effective of dilution from detachable warrants A ('000)	131,296	131,296
Effective of dilution from detachable warrants B ('000)	89,883	89,883
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	1,602,931	1,503,281
Diluted EPS (sen)	9.42	1.63

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 6 April 2020, Fintec has offered 6.8 million Share Issuance Scheme ("SIS") option at a subscription price of RM0.0275 to an eligible employee in accordance to the by-laws of the SIS and the option was accepted on the same day. The option was allotted into new ordinary shares on 13 April 2020.
- On 11 February 2020, Asiabio Capital 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 a 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 ("30% Private Placement"). 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 15 April 2020, Fintec has resolved to defer the 30% Private Placement due to the Movement Control Order announced by the Government of Malaysia resulted from the outbreak of Covid-19. On 23 April 2020, the 30% Private Placement has been aborted.
- On 15 April 2020, Fintec has proposed to undertake the Private Placement of up to 10% of the total number of ordinary shares of Fintec to independent third party investors ("10% Private Placement"). On 23 April 2020, Bursa Securities has vide its letter dated the same, approved the listing and quotation of up to 82.1 million Placement Shares to be issued. On 4 May 2020, the 10% Private Placement has been completed.
- On 4 May 2020, Fintec has offered 29.1 million of 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 the same day and allotted into new ordinary shares on 12 May 2020.

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

B11 Status of corporate proposals (cont'd)

- f) On 14 May 2020, Fintec has proposed to undertake the Private Placement of up to 282.1 million of new ordinary shares in Fintec, representing 30% of the total number of issued shares, to independent third party investors ("30% Private Placement"). On 1 June 2020, Bursa Securities has vide its letter dated the same, approved the listing and quotation of up to 282.1 million Placement Shares.
- g) On 1 June 2020, Fintec has offered 11.7 million of SIS option at a subscription price of RM0.06 to an eligible employee in accordance to the by-laws of the SIS. The option was accepted by the employee on 3 June 2020 and allotted into new ordinary shares on 9 June 2020.
- h) 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 Septemebr 2018 respectively. The estimation of the total claim is approximately RM5.5 million, excluding disbursements, interest and costs of legal proceedings.
- i) On 25 June 2020, Fintec has extented the existing SIS which will expire on 28 July 2020 for a further five (5) years to 28 July 2025.
- j) On 25 June 2020, 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 SSA on the subscription of RCPS in Pinnacle dated 18 December 2018. The estimation of the total claim is approximately RM15.5 million, excluding disbursements, interest and costs of legal proceedings.

B12 Status of Utilisation of Proceeds

- a) Status of utilisation of proceeds as at 30 June 2020, pursuant to the Rights Issue of ICPS with Warrants.

	Proposed Utilisation RM'000	Actual Utilisation RM'000	Unutilised proceeds RM'000	Reallocatio n RM'000	Timeframe for the utilisation of proceeds
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	(43,601)	3,809	-	Within 36 months
v) Estimated expenses	844	(640)	204	(204)	Immediate
	<u>71,943</u>	<u>(49,241)</u>	<u>22,702</u>	<u>-</u>	

- b) Status of utilisation of proceeds as at 30 June 2020, pursuant to the 10% Private Placement.

	Proposed Utilisation RM'000	Actual Utilisation RM'000	Unutilised proceeds RM'000	Reallocatio n RM'000	Timeframe for the utilisation of proceeds
i) Working Capital	2,824	(838)	1,986	-	Within 24 months
ii) Estimated expenses	140	(33)	107	-	Immediate
	<u>2,964</u>	<u>(871)</u>	<u>2,093</u>	<u>-</u>	

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

	Quarter and	
	Year-To-Date Ended	
	30.06.2020	30.06.2019
	RM'000	RM'000
Total Comprehensive Profit	151,008	24,469
Non-Cash items:		
Interest expenses	(345)	-
Depreciation of property, plant and equipment	(122)	(187)
(Loss)/gain on unrealised foreign exchange	(139)	130
Impairment loss on trade and other receivables	-	(82)
Gain on change in fairvalue	128,781	26,262
Share-based payment reserve	(377)	-
	<u>127,798</u>	<u>26,123</u>
Total Comprehensive (loss) before non-cash items	<u>23,210</u>	<u>(1,654)</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

Hung Wen Rong
Ng Sally
Company Secretaries