



FINTEC GLOBAL BERHAD

(Company No. 200701016619 (774628-U))

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 2ND QUARTER AND PERIOD ENDING 30 SEPTEMBER 2020**

Fintec Global Berhad

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE 2ND QUARTER AND PERIOD ENDING 30 SEPTEMBER 2020

(The figures have not been audited)

	Quarter Ended			Year-To-Date Ended		
	30.09.2020 RM'000	30.09.2019 RM'000	Changes %	30.09.2020 RM'000	30.09.2019 RM'000	Changes %
Revenue	4,177	339	1132.2	45,620	10,028	354.9
Cost of sales	(7,397)	(105)	(6944.8)	(24,626)	(9,374)	(162.7)
Gross profit	(3,220)	234	(1476.1)	20,994	654	3110.1
Other operating income	16,892	284	5847.9	16,919	569	2873.5
Operating expenses	(7,191)	(2,380)	(202.1)	(8,860)	(4,868)	(82.0)
Fair value gain on investment securities	714,231	73,555	871.0	843,012	99,817	744.6
Finance costs	(212)	-	-	(557)	(10)	(5470.0)
Profit before taxation	720,500	71,693	905.0	871,508	96,162	806.3
Tax income	-	-	-	-	-	-
Profit for the period	720,500	71,693	905.0	871,508	96,162	806.3
Other comprehensive income/(loss): <u>Items that may be subsequently reclassified to profit or loss:</u>						
Foreign currency translation differences for foreign operations	198	49	304.1	(275)	104	(364.4)
Total comprehensive income for the period	720,698	71,742	904.6	871,233	96,266	805.0
Profit attributable to:						
Owners of the Company	720,503	71,695	905.0	871,512	96,166	806.3
Non-controlling interest	(3)	(2)	(50.0)	(4)	(4)	0.0
	720,500	71,693	905.0	871,508	96,162	806.3
Total comprehensive income attributable to:						
Owners of the Company	720,701	71,744	904.5	871,237	96,270	805.0
Non-controlling interest	(3)	(2)	(50.0)	(4)	(4)	0.0
	720,698	71,742	904.6	871,233	96,266	805.0
				Quarter Ended	Year-To-Date Ended	
				30.09.2020	30.09.2019	
				Sen per	Sen per	
				share	share	
				30.09.2020	30.09.2019	
				Sen per	Sen per	
				share	share	
Earnings Per Share attributable to equity owners of the Company (sen)						
- Basic			61.52	13.64	77.97	15.73
- Diluted			42.41	5.09	52.96	6.43

Notes:

The condensed consolidated statements of comprehensive income are prepared based on the consolidated results of the Group for the quarter ended 30 September 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.

Fintec Global Berhad

(Company No. 200701016619 (774628-U))

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2020

(The figures have not been audited)

	Unaudited As at 30.09.2020 RM'000	Audited As at 31.03.2020 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	3,618	3,848
Right-of-use asset	9,130	9,516
Investment securities	1,230,869	358,067
	<u>1,243,617</u>	<u>371,431</u>
Current assets		
Receivables, deposits and prepayments	4,894	22,253
Investment securities	45,161	27,019
Investment in unquoted shares	17,631	-
Deposit with Financial Institution	11,073	19,853
Inventories	2,002	2,004
Current tax assets	-	374
Cash and cash equivalents	12,093	553
	<u>92,854</u>	<u>72,056</u>
TOTAL ASSETS	<u>1,336,471</u>	<u>443,487</u>
EQUITY AND LIABILITIES		
Share capital	168,109	119,038
ICPS	13,955	27,443
Reserves	10,867	11,141
Retained profits/(loss)	1,096,185	224,673
Total equity attributable to owners of the Company	<u>1,289,116</u>	<u>382,295</u>
Non-controlling interest	(1,685)	(1,681)
Total equity	<u>1,287,431</u>	<u>380,614</u>
Non-current liabilities		
Lease liability	9,009	9,322
Total non-current liabilities	<u>9,009</u>	<u>9,322</u>
Current liabilities		
Payables and accruals	14,724	24,170
Borrowing	24,838	28,830
Lease liability	469	551
Total current liabilities	<u>40,031</u>	<u>53,551</u>
Total liabilities	<u>49,040</u>	<u>62,873</u>
TOTAL EQUITY AND LIABILITIES	<u>1,336,471</u>	<u>443,487</u>
Net assets per share attributable to equity holders of the Company (sen)	<u>91.76</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 September 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 1,404,936,155 ordinary shares in issue as at 30 September 2020.

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

(The figures have not been audited)

	Attributable to Owners of the Company			Non-controlling Interest		Total Equity
	Share Capital RM'000	ICPS Reserve RM'000	Warrant Translation Reserve RM'000	Exchange Reserve RM'000	(Accumulated losses)/ Retained profits RM'000	Total RM'000
	Non-distributable			Distributable		
	<----->			----->		
Audited						
Balance as at 1 April 2019	96,058	43,175	10,904	-	(1,205)	148,932
Initial application of MFRS 16	-	-	-	-	(164)	(164)
At 1 April 2019 (after restated)	96,058	43,175	10,904	-	(1,369)	148,768
Total comprehensive profit for the period	-	-	-	-	226,042	226,042
Foreign currency translation differences for foreign operations	-	-	-	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
Share issuance expenses	(1,960)	-	-	-	-	(1,960)
Total transactions with owners of the Company	22,980	(15,732)	-	-	-	7,248
Balance as at 31 March 2020	119,038	27,443	10,904	238	224,673	382,296
Unaudited						
Balance as at 1 April 2020	119,038	27,443	10,904	238	224,673	382,296
Profit for the period	-	-	-	-	871,512	871,512
Other comprehensive profit	-	-	-	(275)	-	(275)
Total comprehensive profit for the period	-	-	-	(275)	871,512	871,237
Transaction with owners of the Company:						
Issuance of ordinary shares pursuant to conversion of ICPS	13,604	(13,488)	-	-	-	116
Issuance of ordinary shares pursuant to Share Issuance Scheme ("SIS")	10,129	-	-	-	-	10,129
Issuance of ordinary shares pursuant to Private Placement	21,265	-	-	-	-	21,265
Share issuance expenses	(4,073)	-	-	-	-	(4,073)
Total transactions with owners of the Company	49,071	(13,488)	-	-	-	35,583
Balance as at 30 September 2020	168,109	13,955	10,904	(37)	1,096,185	1,289,116
					(1,685)	1,287,431

Notes:

The condensed consolidated statement of changes in equity is prepared based on the consolidated results of the Group for the quarter ended 30 September 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 SEPTEMBER 2020

(The figures have not been audited)

	Year-To-Date Ended	
	30.09.2020	31.06.2019
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	871,508	24,469
Adjustments for :		
Depreciation of property, plant and equipment	240	187
Depreciation on right-of-use asset	68	-
Interest income	(208)	-
Share-based payment reserve	4,073	-
Gain on disposal of investment securities	(20,559)	(362)
Fair value (gain)/loss on investment securities	(843,012)	(26,262)
Gain on unrealised foreign exchange	(735)	(130)
Interest expense	557	10
Impairment loss on trade and other receivables	7,592	82
Operating profit before working capital changes	19,524	(2,006)
Changes in working capital:		
Deposit with financial institution		-
Proceeds from disposal of investment securities	44,944	9,467
Purchase of investment securities	(72,316)	(9,106)
Decrease/(increase) in inventories	2	39
Increase in trade and other receivables	10,224	829
Increase/(decrease) in trade and other payables	(12,779)	227
Cash used in operations	(10,401)	(550)
Income tax received	(84)	-
Interest received	208	-
Net cash used in operating activities	(10,277)	(550)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(48)	(1,050)
Acquisition of investment in unquoted shares	(17,631)	-
Disposal of unquoted shares	-	3,000
Net cash generated from investing activities	(17,679)	1,950
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares pursuant to Private Placement	21,265	-
Proceeds from issuance of shares pursuant to SIS	10,129	-
Proceeds from issuance of shares pursuant to conversion of ICPS	116	-
Interest paid	(557)	(10)
Net cash generated from financing activities	30,953	(10)
Net decrease in cash and cash equivalents	2,997	1,390
Effect of exchange rate changes	(237)	29
Cash and cash equivalents at beginning of the year	20,406	22,095
Cash and cash equivalents at end of the period	23,166	23,514
<u>Cash and cash equivalents consist of:</u>		
Deposits with licensed financial institution	11,073	19,406
Cash and bank balances	12,093	4,108
	23,166	23,514

Notes:

The condensed consolidated statements of cash flow for the quarter ended 30 September 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.

Fintec Global Berhad

(Company No. 200701016619 (774628-U))

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

Group	Year-to-date Ended
	30.09.2020
	RM'000
Non-current assets	
Right-of-use assets	9,130
Non-current liabilities	
Lease liabilities	9,009
Current liabilities	
Lease liabilities	469
Total lease liabilities	9,478

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 September 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 September 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 September 2020.

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

	Quarter Ended 30.09.2020		Year-To-Date Ended 30.09.2020	
	No. of shares '000	RM'000	No. of shares '000	RM'000
Conversion of ICPS	59,161	9,466	85,022	13,604

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

	Quarter Ended 30.09.2020		Year-To-Date Ended 30.09.2020	
	No. of shares '000	RM'000	No. of shares '000	RM'000
SIS exercise	93,758	8,077	141,358	10,129

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

	Quarter Ended 30.09.2020		Year-To-Date Ended 30.09.2020	
	No. of shares '000	RM'000	No. of shares '000	RM'000
Private Placement exercise	282,144	18,300	364,254	21,265

A7 Dividend paid

There were no dividends paid by the Group during the financial quarter ended 30 September 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 September 2020

	Incubation RM'000	Portfolio Investment RM'000	Green Technology products RM'000	O & G services RM'000	Manufactu ring & Trading RM'000	Eliminati on RM'000	Group RM'000
Revenue							
External sales	-	44,944	-	-	676	-	45,620
Intersegment revenue	-	-	-	-	-	-	-
	-	44,944	-	-	676	-	45,620
Results from operating activities	-	879,368	(31)	(7)	(401)		878,929
Finance costs		(557)					(557)
Net unallocated expenses							(6,864)
Profit before taxation							871,508
Tax expense		-					-
Profit for the period							871,508
Segment assets	14,900	1,303,137	3,771	737	13,460		1,336,005
Unallocated assets							466
Total assets							1,336,471
Segment liabilities	5,876	30,592	245	2,774	9,553		49,040
Unallocated liabilities							-
Total liabilities							49,040

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 September 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 September 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 September 2020, the Group has no material capital commitments.

A14 Related party transactions

During the financial quarter ended 30 September 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	
	30.09.2020	30.09.2019	30.09.2020	30.09.2019
	RM'000	RM'000	RM'000	RM'000
Other income	-	120	-	240
Interest expense	(212)	-	(557)	-
Depreciation and amortisation	(118)	(212)	(240)	(399)
Depreciation of right-of-use asset	(68)	-	(68)	-
Impairment loss on trade and other receivables	-	-	-	(82)
Reversal of impairment loss on investment in unquoted shares	(7,592)	-	(7,592)	-
Fair value gain on marketable securities	714,231	73,555	843,012	99,817
Unrealised foreign exchange gain	874	123	735	253

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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

a) Current Quarter vs. Previous Year Corresponding Quarter

Key Profit or Loss items:	Quarter Ended			Changes	%
	30.09.2020	30.09.2019			
	RM'000	RM'000	RM'000		
Revenue	4,177	339	3,838		1132.2
Profit Before Tax	720,500	71,693	648,807		905.0
Net profit attributable to equity holders	720,503	71,695	648,808		905.0

The Group recorded a revenue of RM4.2 million for the quarter ended 30 September 2020, representing an increase of RM3.8 million or 11x higher as compared to RM0.3 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 RM720.5 million for the quarter ended 30 September 2020 as compared to a profit before tax of RM71.7 million in the corresponding quarter ended 30 September 2019 and the net profit attributable to equity holders was RM720.5 million, representing an increase of RM648.8 million or 9x higher as compared to a net profit attributable to equity holders of RM71.7 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 2nd quarter ending 30 September 2020 as compared to the previous corresponding quarter is analysed as follows:-

Profit/(Loss) Before Tax by Segments	Quarter Ended			Changes	%
	30.09.2020	30.09.2019			
	RM'000	RM'000	RM'000		
Portfolio investment	726,451	73,567	652,884		887.5
Green technology products	(17)	16	(33)		(206.3)
O & G services	(7)	(11)	4		36.4
Trading	(49)	(528)	479		90.7

Portfolio investment

Profit before tax increased by RM652.9 million (8.9x) to RM726.5 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 RM0.03 million (2x) to RM0.02 million, mainly due to the increase in operating expenses.

O & G services

Loss before tax decreased to approximately RM0.1 million. This was mainly due to the increased in operating expenses.

Trading

Loss before tax decreased by RM0.5 million to RM0.05 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.

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

Key Profit or Loss items:	Year-To-Date Ended			Changes	%
	30.09.2020	30.09.2019			
	RM'000	RM'000	RM'000		
Revenue	45,620	10,028	35,592		354.9
Profit before tax	871,508	96,162	775,346		806.3
Net profit attributable to equity holders	871,512	96,166	775,346		806.3

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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 (Cont'd)

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

Key Balance Sheet Items:	Year-To-Date Ended			
	30.09.2020 RM'000	30.09.2019 RM'000	Changes RM'000	%
Investment securities :-				
Non-current	1,230,869	199,413	1,031,456	517.2
Current	45,161	3,405	41,756	1,226.3
	<u>1,276,030</u>	<u>202,818</u>	<u>1,073,212</u>	<u>529.2</u>
Trade and other payables	14,724	14,973	249	1.7

The Group's revenue for the period ending 30 September 2020 stood at RM45.6 million, an increase of RM35.6 million or 3.5x as compared to RM10 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 RM871.5 million for the period ending 30 September 2020 as compared to profit before tax of RM96.2 million in the corresponding period ending 30 September 2019 and the net profit attributable to equity holders was RM871.5 million, an increase of profit of RM775.3 million or 8x as compared to the net profit attributable to equity holders of RM96.2 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 RM1.1 billion or 5.3x to RM1.3 billion as at 30 September 2020 as compared to RM202.8 million as at 30 September 2019, which was mainly due to fair value gain on the quoted securities.

Total trade and other payables increased by 1.7% or RM0.2 million over the same period to RM14.7 million as at 30 September 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 September 2020 as compared to the previous corresponding period is analysed as follows:-

Profit/(Loss) Before Tax by Segments	Year-To-Date Ended			
	30.09.2020 RM'000	30.09.2019 RM'000	Changes RM'000	%
Portfolio investment	878,811	100,418	778,393	775.2
Green technology products	(31)	(9)	(22)	(244.4)
O & G services	(7)	(130)	123	94.6
Trading	(401)	(1,194)	793	66.4

Portfolio investment

Profit before tax increased by RM778.4 million (7.8x) to RM878.8 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 RM0.02 million (2.4x) to RM0.03 million which was mainly due to the increase in operating expenses.

O & G services

Loss before tax decreased by RM0.1 million (94.6%) to RM0.01 million which was mainly due to the decrease in operating expenses.

Trading

Loss before tax decreased by RM0.8 million (66.4%) 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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B2 Variation of results against immediate preceding quarter

	Current quarter	Preceding quarter	Changes
	30.09.2020	30.06.2020	
	RM'000	RM'000	%
Revenue	4,177	41,443	(89.9)
Profit before taxation	720,500	151,008	377.1

The Group registered a revenue of RM4.2 million for the current quarter ended 30 September 2020, a decrease of RM37.3 million or 89.9% as compared to RM41.4 million for the immediate preceding quarter ended 30 June 2020. The decrease in revenue was mainly due to the sluggish market as a result of the current economic pandemic environment.

Profit before taxation incurred by the Group for the 2nd quarter ended 30 September 2020 was RM720.5 million, an increase of RM569.5 million or 3.8x as compared to a profit before tax of RM151 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 Quarterly Bulletin dated 13 November 2020, the global economy started to recover in the third quarter of 2020. As many major advanced and emerging economies eased Covid-19 containment measures, the resumption in production and trade activity led to improvement in labour market conditions, and consequently private sector expenditure. In line with the reopening of the economy from earlier Covid-19 containment measures and improving external demand conditions, the Malaysian economy recorded a smaller contraction of 2.7% in the third quarter. This recovery is seen across most economic sectors, particularly the manufacturing sector, rebounded to 3.3% (2Q 2020: -18.3%). Improvements in growth were recorded across most economic sectors, as the country transitioned from the Conditional Movement Control Order ("CMCO") into the Recovery Movement Control Order ("RMCO").

The Group had diversified its business to the gloves business in stages to achieve up to a total of 20 glove-dipping lines, which would yield a total production capacity of approximately 3.3 billion pieces per annum. However, such further expansion will depend on, amongst others, the future demand for the medical grade nitrile gloves and the future financial performance of the gloves business to be contributed by the initial 12 glove-dipping lines. According to the World Health Organisation ("WHO"), an estimated 76 million pieces of examination gloves are required for the Covid-19 response each month. Hence, the need for medical gloves as Personal Protective Equipment ("PPE") during the Covid-19 pandemic will boost the demand for rubber gloves, especially in countries that are severely affected. This diversification allows the Group to capitalise on the burgeoning demand for gloves while making the most out of the opportunities created by the Covid-19 pandemic.

The Group has invested into Saudee Group Berhad and CLI Investment Limited, who are principally engaged in the business of manufacturing and also sale of food products and investment property holding respectively.

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 September 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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B6 Trade Receivables

	As at	
	30.09.2020	30.09.2019
	RM'000	RM'000
Trade receivables	173	1,876
Less: Allowance for impairment loss	-	-
	<u>173</u>	<u>1,876</u>

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

	As at	
	30.09.2020	30.09.2019
	RM'000	RM'000
Neither past due nor impaired	173	1,850
Past due not impaired:		
31 - 60 days	-	-
91 - 180 days	-	-
> 181 days	-	26
Gross trade receivables	<u>173</u>	<u>1,876</u>
Less: Allowance for impairment loss	-	-
	<u>173</u>	<u>1,876</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 September 2020 is as follows:

a) Group's Borrowing

	As at	
	30.09.2020	30.09.2019
	USD denomination '000	RM equivalent '000
<u>Short Term - Unsecured</u> Borrowing	<u>24,838</u>	<u>-</u>

The short term borrowing's effective interest rate stood at 3% per annum (30 September 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 September 2020.

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B10 Earnings per share ("EPS")

a) Basic EPS

	Quarter Ended		Year-To-Date Ended	
	30.09.2020	30.09.2019	30.09.2020	30.09.2019
Profit attributable to the owners of the Company (RM'000)	720,503	71,695	871,512	96,166
Weighted average number of ordinary shares in issue ('000)	1,171,134	525,815	1,117,754	611,414
Basic EPS (sen)	61.52	13.64	77.97	15.73

b) Diluted EPS

	Quarter Ended		Year-To-Date Ended	
	30.09.2020	30.09.2019	30.09.2020	30.09.2019
Profit attributable to the owners of the Company (RM'000)	720,503	71,695	871,512	96,166
Weighted average number of ordinary shares in issue ('000)	1,171,134	525,815	1,117,754	611,414
Effective of dilution from conversion of ICPS ('000)	306,640	662,743	306,640	662,743
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)	1,698,953	1,409,737	1,645,573	1,495,336
Diluted EPS (sen)	42.41	5.09	52.96	6.43

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 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. The 30% Private Placement has been completed on 15 July 2020.
- 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. On 30 July 2020, the Company announced that FGL has entered into a Settlement Agreement with Pinnacle, its directors and its guarantor, Euphoria Venture Limited ("EVL"), to settle the dispute arising from the SSA. On 5 August 2020, EVL has transferred 4.8 mil unencumbered ordinary shares held in CLI Investment Limited ("CLI") to FGL, representing 40% equity interest in CLI, for a total consideration of RM15.5 million, via the settlement on the litigation proceedings against Pinnacle and 2 others.
- On 15 July 2020, Fintec has offered 49.2 million of SIS option at a subscription price of RM0.085 to an eligible employee in accordance to the by-laws of the SIS. The option was accepted by the employee on 17 July 2020 and allotted into new ordinary shares on 22 July 2020.
- On 17 July 2020, Fintec has offered 30.2 million of SIS option at a subscription price of RM0.085 to an eligible employee in accordance to the by-laws of the SIS. The option was accepted by the employee on 21 July 2020 and allotted into new ordinary shares on 23 July 2020.
- On 27 July 2020, Fintec has offered 14.3 million of SIS option at a subscription price of RM0.093 to an eligible employee in accordance to the by-laws of the SIS. The option was accepted by the employee on 4 August 2020 and allotted into new ordinary shares on 5 August 2020.

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B11 Status of corporate proposals (Cont'd)

- f) On 10 August 2020, FINTEC vide its wholly-owned subsidiary, Asiabio Capital Sdn. Bhd. ("ABC"), that is principally involved in the trading of marketable securities had acquired in aggregate 21.51% or 31,543,277 ordinary shares of Saudee for an aggregate sum of RM12,617,310.80 in cash through Direct Business Transaction. Saudee is principally engaged in the business of manufacturing and sale of food products.
- g) On 28 August 2020, FINTEC had incorporated a private limited company in Malaysia in the name of Fintec Glove Sdn. Bhd. ("Fintec Glove"), with the issued and paid-up capital of RM1 divided into 1 ordinary share of RM1 each held by FINTEC. Fintec Glove is principally engaged in the business of manufacturing, distributing and trading of personal protective healthcare equipments.
- h) On 4 September 2020, FINTEC had proposed to undertake (i) Proposed diversification of the business of FINTEC (ii) Proposed renounceable rights issue of up to 2,002,820,441 new ordinary shares together with up to 1,602,256,352 free detachable warrants in the Company ("Warrants C") on the basis of 5 Rights Shares together with 4 Warrants C for every 5 existing Shares (iii) Proposed establishment of a new ESOS involving up to 30% of the total number of issued shares for eligible directors and employees. On 29 September 2020, Bursa Securities has approved on the listing and quotation of the 2,002,820,441 rights shares and the 1,602,256,352 Warrants C.

B12 Status of Utilisation of Proceeds

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

	Proposed Utilisation RM'000	Reallocation RM'000	Actual Utilisation RM'000	Unutilised proceeds 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	(90)	(8,110)	-	by 6 December 2020
iii) Working capital	5,000	204	(5,204)	-	Within 24 months
iv) Investment in unquoted incubatees and/or start-up companies to be identified	47,410	90	(45,340)	2,160	Within 36 months
v) Estimated expenses	844	(204)	(640)	-	Immediate
	<u>71,943</u>	<u>-</u>	<u>(59,294)</u>	<u>12,649</u>	

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

	Proposed Utilisation RM'000	Reallocation RM'000	Actual Utilisation RM'000	Unutilised proceeds RM'000	Timeframe for the utilisation of proceeds
i) Working Capital	2,824	107	(2,033)	898	Within 24 months
ii) Estimated expenses	140	(107)	(33)	-	Immediate
	<u>2,964</u>	<u>-</u>	<u>(2,066)</u>	<u>898</u>	

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B12 Status of Utilisation of Proceeds (Cont'd)

c) Status of utilisation of proceeds as at 30 September 2020, pursuant to the 30% Private Placement.

	Proposed Utilisation RM'000	Reallocatio n RM'000	Actual Utilisation RM'000	Unutilised proceeds RM'000	Timeframe for the utilisation of proceeds
i) Investment in healthcare equipment manufacturing and/or trading business	5,000	-	(2,171)	2,829	Within 24 months
ii) Working Capital	12,550	547	-	13,097	Within 24 months
iii) Estimated expenses	750	(547)	(203)	-	Immediate
	<u>18,300</u>	<u>-</u>	<u>(2,374)</u>	<u>15,926</u>	

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

	Quarter Ended		Year-To-Date Ended	
	30.09.2020 RM'000	30.09.2019 RM'000	30.09.2020 RM'000	30.09.2019 RM'000
Total Comprehensive Profit	720,500	71,693	871,508	96,162
Non-Cash items:				
Interest expenses	(212)	-	(557)	-
Depreciation of property, plant and equipment	(118)	(212)	(240)	(399)
Depreciation of right-of-use asset	(68)	-	(68)	-
(Loss)/gain on unrealised foreign exchange	874	123	735	253
Impairment loss on trade and other receivables	-	-	-	(82)
Reversal of impairment loss on other receivables	(7,592)	-	(7,592)	-
Gain on change in fairvalue	714,231	73,555	843,012	99,817
Share-based payment reserve	(3,696)	(388)	(4,073)	(388)
	<u>703,419</u>	<u>73,078</u>	<u>831,217</u>	<u>99,201</u>
Total Comprehensive (loss) before non-cash items	<u>17,081</u>	<u>(1,385)</u>	<u>40,291</u>	<u>(3,039)</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