



FINTEC
GLOBAL BERHAD

FINTEC GLOBAL BERHAD

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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 3RD QUARTER AND PERIOD ENDING 31 DECEMBER 2020**

Fintec Global Berhad

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

(The figures have not been audited)

	Unaudited As at 31.12.2020 RM'000	Audited As at 31.03.2020 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	8,588	3,848
Right-of-use asset	8,807	9,516
Investment securities	1,171,479	358,067
	<u>1,188,874</u>	<u>371,431</u>
Current assets		
Receivables, deposits and prepayments	6,877	22,253
Investment securities	39,181	27,019
Investment in unquoted shares	17,631	-
Deposit with Financial Institution	-	19,853
Inventories	2,000	2,004
Current tax assets	-	374
Cash and cash equivalents	117,693	553
	<u>183,382</u>	<u>72,056</u>
TOTAL ASSETS	<u><u>1,372,256</u></u>	<u><u>443,487</u></u>
EQUITY AND LIABILITIES		
Share capital	288,927	119,038
ICPS	7,819	27,443
Reserves	45,735	11,141
Retained profits	999,658	224,673
Total equity attributable to owners of the Company	<u>1,342,139</u>	<u>382,295</u>
Non-controlling interest	(1,692)	(1,681)
Total equity	<u>1,340,447</u>	<u>380,614</u>
Non-current liabilities		
Lease liability	8,724	9,322
Total non-current liabilities	<u>8,724</u>	<u>9,322</u>
Current liabilities		
Payables and accruals	9,241	24,170
Borrowing	13,423	28,830
Lease liability	421	551
Total current liabilities	<u>23,085</u>	<u>53,551</u>
Total liabilities	<u>31,809</u>	<u>62,873</u>
TOTAL EQUITY AND LIABILITIES	<u><u>1,372,256</u></u>	<u><u>443,487</u></u>
Net assets per share attributable to equity holders of the Company (sen)	<u>46.58</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 31 December 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 2,881,414,750 ordinary shares in issue as at 31 December 2020.

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(Company No. 200701016619 (774628-U))
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDING 31 DECEMBER 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	-	-	-	-	809,893	809,893	(11)	809,882
Other comprehensive profit	-	-	-	(315)	-	(315)	-	(315)
Total comprehensive profit for the period	-	-	-	(315)	809,893	809,578	(11)	809,567
Transaction with owners of the Company:								
Issuance of ordinary shares pursuant to conversion of ICPS	19,807	(19,624)	-	-	-	183	-	183
Issuance of ordinary shares pursuant to Share Issuance Scheme ("SIS")	10,129	-	-	-	-	10,129	-	10,129
Issuance of ordinary shares pursuant to Private Placement	21,265	-	-	-	-	21,265	-	21,265
Issuance of ordinary shares pursuant to Rights Issue with Warrants ("RIWW")	114,615	-	34,908	-	(34,908)	114,615	-	114,615
Share issuance expenses	4,073	-	-	-	-	4,073	-	4,073
Total transactions with owners of the Company	169,889	(19,624)	34,908	-	(34,908)	150,265	-	150,265
Balance as at 31 December 2020	288,927	7,819	45,812	(77)	999,658	1,342,139	(1,692)	1,340,447

Notes:

The condensed consolidated statement of changes in equity is prepared based on the consolidated results of the Group for the quarter ended 31 December 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 31 DECEMBER 2020

(The figures have not been audited)

	Year-To-Date Ended	
	31.12.2020 RM'000	31.12.2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	809,882	172,653
Adjustments for :		
Depreciation of property, plant and equipment	360	623
Depreciation on right-of-use asset	103	-
Interest income	(205)	-
Share-based payment reserve	4,073	1,029
Gain on disposal of investment securities	(45,740)	(222)
Fair value gain on investment securities	(758,191)	(179,164)
Gain on unrealised foreign exchange	(1,229)	(475)
Interest expense	826	10
Reversal of impairment loss on other investment	(7,592)	-
Impairment loss on PPE	-	100
Impairment loss on trade and other receivables	-	941
Operating profit before working capital changes	2,287	(4,505)
Changes in working capital:		
Deposit with financial institution		-
Proceeds from disposal of investment securities	85,419	13,356
Purchase of investment securities	(107,062)	(48,018)
Decrease in inventories	4	37
Increase in trade and other receivables	15,835	5,830
(Decrease)/increase in trade and other payables	(13,821)	9,365
Cash used in operations	(17,338)	(23,935)
Income tax received	(84)	(8)
Interest received	205	-
Net cash used in operating activities	(17,217)	(23,943)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(5,168)	(1,664)
Acquisition of investment in unquoted shares	(10,039)	-
Return of capital on unquoted shares	-	5,500
Net cash generated from investing activities	(15,207)	3,836
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	2,858
Proceeds from issuance of shares pursuant to conversion of ICPS	182	-
Proceeds from issuance of shares pursuant to RIWW	114,615	-
Repayment of borrowing	(15,406)	23,256
Interest paid	(826)	(10)
Net cash generated from financing activities	129,959	26,104
Net decrease in cash and cash equivalents	97,535	5,997
Effect of exchange rate changes	(248)	(93)
Cash and cash equivalents at beginning of the year	20,406	22,095
Cash and cash equivalents at end of the period	117,693	27,999
<u>Cash and cash equivalents consist of:</u>		
Deposits with licensed financial institution	-	25,774
Cash and bank balances	117,693	2,225
	117,693	27,999

Notes:

The condensed consolidated statements of cash flow for the quarter ended 31 December 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 31 December 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 101 Presentation of Financial Statements

Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors

Amendments to MFRS 134 Interim Financial Reporting

Amendments to MFRS 137 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. The Group and the Company have applied MFRS 16 in the current financial year ending 31 December 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

A1 Basis of preparation (cont'd)

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.

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 December 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 December 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

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 December 2020.

During the financial period ending 31 December 2020, the Company had issued new ordinary shares pursuant to:-

(a) Conversion of ICPS

Quarter Ended 31.12.2020		Year-To-Date Ended 31.12.2020	
No. of shares '000	RM'000	No. of shares '000	RM'000
43,760	6,203	128,782	19,806

(b) SIS

Quarter Ended 31.12.2020		Year-To-Date Ended 31.12.2020	
No. of shares '000	RM'000	No. of shares '000	RM'000
-	-	141,358	10,129

(c) Private Placement

Quarter Ended 31.12.2020		Year-To-Date Ended 31.12.2020	
No. of shares '000	RM'000	No. of shares '000	RM'000
-	-	364,254	21,265

(d) Rights Issue with Warrants

Quarter Ended 31.12.2020		Year-To-Date Ended 31.12.2020	
No. of shares '000	RM'000	No. of shares '000	RM'000
1,432,719	114,615	1,432,719	114,615

A7 Dividend paid

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

	Incubation RM'000	Portfolio Investment RM'000	Green Technology products RM'000	O & G services RM'000	Manufau ring &Trading RM'000	Eliminati on RM'000	Group RM'000
Revenue							
External sales	-	85,419	-	-	1410	-	86,829
Intersegment revenue	-	-	-	-	-	-	-
	-	85,419	-	-	1,410	-	86,829
Results from operating activities	-	820,160	(217)	(80)	(1,185)		818,678
Finance costs		(826)					(826)
Net unallocated expenses							(7,970)
Profit before taxation							809,882
Tax expense		-					-
Profit for the period							809,882
Segment assets	129,058	1,228,650	279	753	13,048		1,371,788
Unallocated assets							468
Total assets							1,372,256
Segment liabilities	5,798	13,482	234	2,829	9,466		31,809
Unallocated liabilities							-
Total liabilities							31,809

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

A14 Related party transactions

During the financial quarter ended 31 December 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	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000
Interest income	205	-	205	-
Other income	-	187	-	427
Interest expense	(269)	-	(826)	(10)
Depreciation and amortisation	(120)	(224)	(360)	(623)
Depreciation of right-of-use asset	(35)	-	(103)	-
Impairment loss on trade and other receivables	-	(859)	-	(941)
Reversal of impairment loss on investment in unquoted shares	-	-	(7,592)	-
Impairment of fixed assets	-	(100)	-	(100)
Fair value (loss)/gain on marketable securities	(84,821)	79,347	758,191	179,164
Unrealised foreign exchange gain	494	222	1,229	475

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

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			
	31.12.2020	31.12.2019	Changes	
	RM'000	RM'000	RM'000	%
Revenue	41,209	4,160	37,049	890.6
(Loss)/Profit Before Tax	(61,626)	76,491	(138,117)	(180.6)
Net (loss)/profit attributable to equity holders	(61,619)	76,492	(138,111)	(180.6)

The Group recorded a revenue of RM41.2 million for the quarter ended 31 December 2020, representing an increase of RM37 million or 8.9x higher as compared to RM4.2 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 loss before tax of RM61.6 million for the quarter ended 31 December 2020 as compared to a profit before tax of RM76.5 million in the corresponding quarter ended 31 December 2019 and the net loss attributable to equity holders stood at RM61.6 million, representing a decrease of RM138.1 million or 1.8x lower as compared to a net profit attributable to equity holders of RM76.5 million in previous year's corresponding quarter.

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

Performance of the respective operating business segments for the 3rd quarter ending 31 December 2020 as compared to the previous corresponding quarter is analysed as follows:-

(Loss)/Profit Before Tax by Segments	Quarter Ended			
	31.12.2020	31.12.2019	Changes	
	RM'000	RM'000	RM'000	%
Portfolio investment	(59,477)	79,250	(138,727)	(175.0)
Green technology products	(186)	(236)	50	(21.2)
O & G services	(73)	(10)	(63)	(630.0)
Trading	(784)	(532)	(252)	(47.4)

Portfolio investment

Profit before tax decreased by RM138.7 million (1.8x) to a loss before tax of RM59.5 million which was mainly due to the sluggish market of the Group's strategic investments in Malaysia.

Green technology products

Loss before tax decreased by RM0.05 million (21.2%) to RM0.2 million, mainly due to the decrease in operating expenses.

O & G services

Loss before tax increased to approximately RM0.06 million to RM0.07 million. This was mainly due to the increased in operating expenses.

Trading

Loss before tax increased by approximately RM0.3 million to RM0.8 million. This was mainly due to the increase in operating expenses.

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

Key Profit or Loss items:	Year-To-Date Ended			
	31.12.2020	31.12.2019	Changes	
	RM'000	RM'000	RM'000	%
Revenue	86,829	14,188	72,641	512.0
Profit before tax	809,882	172,653	637,229	369.1
Net profit attributable to equity holders	809,893	172,658	637,235	369.1

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

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			%
	31.12.2020 RM'000	31.12.2019 RM'000	Changes RM'000	
Investment securities :-				
Non-current	1,171,479	277,291	894,188	322.5
Current	39,181	34,775	4,406	12.7
	<u>1,210,660</u>	<u>312,066</u>	<u>898,594</u>	<u>287.9</u>
Trade and other payables	9,241	23,955	14,714	61.4

The Group's revenue for the period ending 31 December 2020 stood at RM86.8 million, an increase of RM72.6 million or 5.1x as compared to RM14.2 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 RM809.9 million for the period ending 31 December 2020 as compared to profit before tax of RM172.7 million in the corresponding period ending 31 December 2019 and the net profit attributable to equity holders was RM809.9 million, an increase of profit of RM637.2 million or 3.7x as compared to the net profit attributable to equity holders of RM172.7 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 RM898.6 million or 2.9x to RM1.2 billion as at 31 December 2020 as compared to RM312.1 million as at 31 December 2019, which was mainly due to fair value gain on the quoted securities.

Total trade and other payables decreased by 61.4% or RM14.7 million over the same period to RM9.2 million as at 31 December 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 December 2020 as compared to the previous corresponding period is analysed as follows:-

Profit/(Loss) Before Tax by Segments	Year-To-Date Ended			%
	31.12.2020 RM'000	31.12.2019 RM'000	Changes RM'000	
Portfolio investment	819,334	179,668	639,666	356.0
Green technology products	(217)	(245)	28	11.4
O & G services	(80)	(140)	60	42.9
Trading	(1,185)	(1,726)	541	31.3

Portfolio investment

Profit before tax increased by RM639.7 million (3.6x) to RM819.3 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 RM0.03 million (11.4%) to RM0.2 million which was mainly due to the decrease in operating expenses.

O & G services

Loss before tax decreased by RM0.06 million (42.9%) to RM0.08 million which was mainly due to the decrease in operating expenses.

Trading

Loss before tax decreased by RM0.5 million (31.3%) to RM1.2 million. This was mainly due to the decrease in operation expenses.

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

B2 Variation of results against immediate preceding quarter

	<u>Current quarter</u>	<u>Preceding quarter</u>	
	31.12.2020	30.09.2020	Changes
	RM'000	RM'000	%
Revenue	41,209	4,177	886.6
(Loss)/Profit before taxation	(61,626)	720,500	(108.6)

The Group registered a revenue of RM41.2 million for the current quarter ended 31 December 2020, an increase of RM37 million or 8.9x as compared to RM4.2 million for the immediate preceding quarter ended 30 September 2020. The increase in revenue was mainly due to sale of marketable securities.

Loss before taxation incurred by the Group for the 3rd quarter ended 31 December 2020 was RM61.6 million, a decrease of RM782.1 million or 1.1x as compared to a profit before tax of RM720.5 million in the preceding quarter. The decrease in profit before tax was mainly due to the fair value loss in the Group's marketable securities.

B3 Prospects

The year 2020 was a time marked by extreme volatility, markets showcasing roller-coaster ride that has not been seen in decades. Due to the pandemic, the KLCI index dropped by 22% to a low of 1207.8 in March to making multi year highs of 1695.96 in December. Amid this extraordinary period, Malaysian central bank has lowered interest rates to historic low of 1.75%. On the fiscal front, the Malaysian government has distributed various stimulus cash payments while relaxing taxes to provide economic relief.

The tale of two worlds showing the disconnect between real economy vs the equity markets are clearly on display, with the real economy reeling from the aftermath of extended lockdowns, while financial markets began its recovery.

One of the beneficiaries of supportive monetary and fiscal policies was Fintec Global Berhad ("Fintec"). Over 2020, Fintec oversaw rapid appreciation in its investments and expansion into new investment opportunities. Fintec's portfolio experienced the following highlights in its performance:

1.) Fintec's Net Asset rose to RM1.34 billion from RM380 million for the financial year ending December 2020. This translates to a YOY growth of 252%. The momentous achievement was the result of stellar appreciation in Focus Dynamics Group Berhad (290%), KomarkCorp Berhad (276%) & AT Systemization Berhad (363%)'s equity value.

2.) Diversified into medical grade nitrile glove manufacturing sector with an investment value of RM160 million into Fintec Glove Sdn. Bhd., a wholly-owned subsidiary of Fintec. The proposed facility at full production will have 14 "double former lines" with a projected annual capacity of 3.35 billion pieces of gloves.

Whilst Fintec's asset value has risen considerably, the company's stock has not kept pace. As a result, Fintec's equity value trades at 83% discount to its net asset value.

Looking ahead, Fintec plans to further take on the role of an active investor to unlock value in its investments namely, Saudee Berhad ("Saudee") & Seacera Group Berhad ("Seacera").

Saudee is a manufacturer of processed frozen foods. Its product lines include varieties burgers, nuggets, sausages etc. Saudee's manufacturing plant is fitted with the capacity to produce 10,950 tons of food annually. Fintec believes that value can be realised from Saudee's assets through the restructuring of its operations and go to market strategy.

Seacera was originally listed in Bursa Malaysia's main market as a tile manufacturer. Seacera subsequently ventured into property development and construction activities. Currently, Seacera is classified under PN-17. However, Fintec together with the management team of Seacera is currently working on a regularization/rationalisation plan to turnaround the business and realise the value of its 500 acre land bank in Semenyih worth in excess of RM800 million.

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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 December 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.

B6 Trade Receivables

	As at	
	31.12.2020	31.12.2019
	RM'000	RM'000
Trade receivables	173	266
Less: Allowance for impairment loss	-	(26)
	<u>173</u>	<u>240</u>

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

	As at	
	31.12.2020	31.12.2019
	RM'000	RM'000
Neither past due nor impaired	173	240
Past due not impaired:		
31 - 60 days	-	-
91 - 180 days	-	-
> 181 days	-	26
Gross trade receivables	<u>173</u>	<u>266</u>
Less: Allowance for impairment loss	-	(26)
	<u>173</u>	<u>240</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 December 2020 is as follows:

a) Group's Borrowing

	As at		As at	
	31.12.2020		31.12.2019	
	USD	RM	USD	RM
	denomination	equivalent	denomination	equivalent
	'000	'000	'000	'000
<u>Short Term - Unsecured</u>				
Borrowing	<u>3,343</u>	<u>13,423</u>	<u>5,685</u>	<u>23,256</u>

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

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.

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B9 Dividends

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

B10 Earnings per share ("EPS")

a) Basic EPS

	Quarter Ended		Year-To-Date Ended	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Profit attributable to the owners of the Company (RM'000)	(61,619)	76,492	809,893	172,658
Weighted average number of ordinary shares in issue ('000)	1,003,452	645,907	1,277,119	630,801
Basic EPS (sen)	(6.14)	11.84	63.42	27.37

b) Diluted EPS

	Quarter Ended		Year-To-Date Ended	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Profit attributable to the owners of the Company (RM'000)	(61,619)	76,492	809,893	172,658
Weighted average number of ordinary shares in issue ('000)	1,003,452	645,907	1,277,119	630,801
Effective of dilution from conversion of ICPS ('000)	229,927	508,224	229,927	508,224
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)	1,454,558	1,375,310	1,728,225	1,360,204
Diluted EPS (sen)	N/A	5.56	46.86	12.69

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 2 December 2020, Asiabio Capital Sdn. Bhd. ("ABC"), a wholly-owned subsidiary of Fintec, has subscribed in aggregate 25.05% or 512,099,792 ICPS with 768,149,688 free detachable Warrants D of Focus Dynamics Group Berhad ("the free detachable Warrants") for an aggregate sum of RM28.16 million in cash via the Rights Issue of ICPS with Warrants of Focus at an issue price of RM0.055 per ICPS. On 21 December 2020, ABC had disposed the free detachable Warrants for an aggregate sum of RM26.74 million in cash through open market.
- 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 ("the renounceable rights issue") (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. The renounceable rights issue had been completed on 28 December 2020.
- On 30 December 2020, Fintec has offered 270,000,200 options to eligible employees under its SIS.

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B12 Status of Utilisation of Proceeds

a) Status of utilisation of proceeds as at 31 December 2020, pursuant to the Rights Issue of ICPS with Warrants.

	Proposed Utilisation RM'000	Reallocatio n RM'000	Actual Utilisation RM'000	Unutilised proceeds RM'000	Timeframe for the utilisation of
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	(47,500)	-	by 6 December 2021
v) Estimated expenses	844	(204)	(640)	-	Immediate
	<u>71,943</u>	<u>-</u>	<u>(71,943)</u>	<u>-</u>	

b) Status of utilisation of proceeds as at 31 December 2020, pursuant to the 10% Private Placement.

	Proposed Utilisation RM'000	Reallocatio n RM'000	Actual Utilisation RM'000	Unutilised proceeds RM'000	Timeframe for the utilisation of
i) Working Capital	2,824	107	(2,931)	-	Within 24 months
ii) Estimated expenses	140	(107)	(33)	-	Immediate
	<u>2,964</u>	<u>-</u>	<u>(2,964)</u>	<u>-</u>	

c) Status of utilisation of proceeds as at 31 December 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
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	(406)	12,691	Within 24 months
iii) Estimated expenses	750	(547)	(203)	-	Immediate
	<u>18,300</u>	<u>-</u>	<u>(2,780)</u>	<u>15,520</u>	

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B12 Status of Utilisation of Proceeds (Cont'd)

d) Status of utilisation of proceeds as at 31 December 2020, pursuant to the RIWW.

	Proposed Utilisation RM'000	Reallocatio n RM'000	Actual Utilisation RM'000	Unutilised proceeds RM'000	Timeframe for the utilisation of
i) Construction of factory building for the Gloves Business	15,232	-	(354)	14,878	Within 6 months
ii) Capital expenditure for the Gloves Business	83,176	-	-	83,176	Within 24 months
iii) Working capital for the Gloves Business	15,496	-	-	15,496	Within 24 months
iv) Estimated expenses for the Corporate Exercises	711	-	(698)	13	Immediate
	<u>114,615</u>	<u>-</u>	<u>(1,052)</u>	<u>113,563</u>	

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

	Quarter Ended		Year-To-Date Ended	
	31.12.2020 RM'000	31.12.2019 RM'000	31.12.2020 RM'000	31.12.2019 RM'000
Total Comprehensive Profit	(61,626)	76,491	809,882	172,653
Non-Cash items:				
Interest expenses	(269)	-	(826)	(10)
Depreciation of property, plant and equipment	(120)	(224)	(360)	(623)
Depreciation of right-of-use asset	(35)	-	(103)	-
Gain on unrealised foreign exchange	494	222	1,229	475
Impairment loss on trade and other receivables	-	(859)	-	(941)
Reversal of impairment loss on other receivables	-	-	(7,592)	-
Impairment loss on property, plant & equipment	-	(100)	-	(100)
(Loss)/gain on change in fairvalue	(84,821)	79,347	758,191	179,164
Share-based payment reserve	-	(1,029)	(4,073)	(1,029)
	<u>(84,751)</u>	<u>77,357</u>	<u>746,466</u>	<u>176,936</u>
Total Comprehensive gain/(loss) before non-cash items	<u>23,125</u>	<u>(866)</u>	<u>63,416</u>	<u>(4,283)</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