



FINTEC
GLOBAL BERHAD

FINTEC GLOBAL BERHAD

(Company No. 200701016619 (774628-U))

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 4TH QUARTER AND PERIOD ENDING 30 JUNE 2022**

Fintec Global Berhad

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

(The figures have not been audited)

	Unaudited As at 30.06.2022 RM'000	Audited As at 30.06.2021 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	86,742	29,150
Right-of-use asset	582	388
Investment securities	88,547	94,441
Investment in unquoted shares	3,849	10,766
	<u>179,720</u>	<u>134,745</u>
Current assets		
Receivables, deposits and prepayments	27,027	29,178
Investment securities	5,939	19,127
Short term investment	49,612	90,515
Inventories	17,511	3,099
Cash and cash equivalents	3,507	19,481
	<u>103,596</u>	<u>161,400</u>
TOTAL ASSETS	<u><u>283,316</u></u>	<u><u>296,145</u></u>
EQUITY AND LIABILITIES		
Share capital	367,851	325,640
ICPS	7,369	7,369
Reserves	45,850	45,604
Retained profits	(175,259)	(89,009)
Total equity attributable to owners of the Company	<u>245,811</u>	<u>289,604</u>
Non-controlling interest	(1,941)	(1,742)
Total equity	<u>243,870</u>	<u>287,862</u>
Non-current liabilities		
Lease liability	284	263
Total non-current liabilities	<u>284</u>	<u>263</u>
Current liabilities		
Payables and accruals	38,739	7,868
Lease liability	382	152
Current tax liabilities	41	-
Total current liabilities	<u>39,162</u>	<u>8,020</u>
Total liabilities	<u>39,446</u>	<u>8,283</u>
TOTAL EQUITY AND LIABILITIES	<u><u>283,316</u></u>	<u><u>296,145</u></u>
Net assets per share attributable to equity holders of the Company (sen)	<u>4.15</u>	<u>7.34</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 2022 and is to be read in conjunction with the audited consolidated financial statements for the financial year ended 30 June 2021 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 5,922,797,474 ordinary shares in issue as at 30 June 2022.

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(Company No. 200701016619 (774628-U))
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDING 30 JUNE 2022

(The figures have not been audited)

	----- Attributable to Owners of the Company -----							
	----- 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	Total Equity RM'000
Audited								
Balance as at 1 April 2020	119,038	27,443	10,904	238	224,673	382,296	(1,681)	380,615
Initial application of MFRS 16	-	-	-	-	-	-	-	-
At 1 April 2019 (after restated)	119,038	27,443	10,904	238	224,673	382,296	(1,681)	380,615
Total comprehensive loss for the period	-	-	-	-	(313,682)	(313,682)	(61)	(313,743)
Foreign currency translation differences for foreign operations	-	-	-	(445)	-	(445)	-	(445)
Transaction with owners of the Company:								
Issuance of ordinary shares pursuant to conversion of ICPS	20,258	(20,074)	-	-	-	184	-	184
Issuance of ordinary shares pursuant to SIS	51,919	-	-	-	-	51,919	-	51,919
Issuance of ordinary shares pursuant to ESOS	19,350	-	-	-	-	19,350	-	19,350
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")	79,709	-	34,908	-	-	114,617	-	114,617
Issuance of ordinary shares pursuant to exercise of Warrants C	5	-	(1)	-	-	4	-	4
Share issuance expenses	14,096	-	-	-	-	14,096	-	14,096
Total transactions with owners of the Company	206,602	(20,074)	34,907	-	-	221,435	-	221,435
Balance as at 30 June 2021	325,640	7,369	45,811	(207)	(89,009)	289,604	(1,742)	287,862
Unaudited								
Balance as at 1 July 2021	325,640	7,369	45,811	(207)	(89,009)	289,604	(1,742)	287,862
Loss for the period	-	-	-	-	(86,250)	(86,250)	(199)	(86,449)
Other comprehensive profit	-	-	-	246	-	246	-	246
Total comprehensive profit/(loss) for the period	-	-	-	246	(86,250)	(86,004)	(199)	(86,203)
Transaction with owners of the Company:								
Issuance of ordinary shares pursuant to ESOS	20,987	-	-	-	-	20,987	-	20,987
Issuance of ordinary shares pursuant to Private Placement	18,041	-	-	-	-	18,041	-	18,041
Share issuance expenses	3,183	-	-	-	-	3,183	-	3,183
Total transactions with owners of the Company	42,211	-	-	-	-	42,211	-	42,211
Balance as at 30 June 2022	367,851	7,369	45,811	39	(175,259)	245,811	(1,941)	243,870

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 2022 and is to be read in conjunction with the audited consolidated financial statements for the financial year ended 30 June 2021 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 2022

(The figures have not been audited)

	Year-To-Date Ended	
	30.06.2022 RM'000	30.06.2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before tax	(86,449)	(314,110)
Adjustments for :		
Depreciation of property, plant and equipment	613	585
Depreciation on right-of-use asset	196	171
Interest income	(703)	(8,649)
Gain on disposal of subsidiary	-	(3,202)
Bad debt written off	-	4,122
Loss on disposal of investment securities	2,242	6,384
Fair value loss on investment securities	63,813	295,814
Gain on unrealised foreign exchange	(915)	(666)
Interest expense	199	1,080
Interest expense on lease liability	22	-
Unrealised gain on other investment	-	(35)
Impairment/(Reversal) on other investment	6,917	(2,727)
Impairment loss on trade and other receivables	4,774	153
Property, Plant and equipment written off	(1)	-
Operating loss before working capital changes	(9,292)	(21,080)
Changes in working capital:		
Proceeds from disposal of investment securities	17,841	111,784
Purchase of investment securities	(64,813)	(142,464)
Increase in inventories	(14,412)	(1,095)
Increase in trade and other receivables	(1,666)	(10,771)
Increase/(Decrease) in trade and other payables	30,709	(15,860)
Cash used in operations	(41,633)	(79,486)
Income tax refunded	-	(84)
Interest received	703	8,649
Net cash used in operating activities	(40,930)	(70,921)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(58,205)	(25,946)
Acquisition of investment in unquoted shares	-	(8,039)
Withdrawal of short term investment	40,903	-
Net cash outflow from acquisition of subsidiary company	-	3,203
Net cash generated from investing activities	(17,302)	(30,782)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares pursuant to Private Placement	18,041	21,265
Proceeds from issuance of shares pursuant to ESOS/SIS	24,170	85,364
Proceeds from issuance of shares pursuant to conversion of ICPS	-	184
Proceeds from issuance of shares pursuant to RIWW	-	114,617
Proceeds from issuance of shares pursuant to exercise of warrants C	-	4
Repayment of borrowing	-	(28,830)
Interest paid	(199)	(1,080)
Net cash generated from financing activities	42,012	191,524
Net (decrease)/increase in cash and cash equivalents	(16,220)	89,821
Effect of exchange rate changes	246	(231)
Cash and cash equivalents at beginning of the year	19,481	20,406
Cash and cash equivalents at end of the period	3,507	109,996
<u>Cash and cash equivalents consist of:</u>		
Deposits with lincensed financial institution	-	90,515
Cash and bank balances	3,507	19,481
	3,507	109,996

Notes:

The condensed consolidated statements of cash flow for the quarter ended 30 June 2022 is to be read in conjunction with the audited consolidated financial statements for the financial year ended 30 June 2021 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 30 June 2021. 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 30 June 2021.

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 30 June 2021 except for the adoption of the following MFRSs and amendments to MFRSs which came into effect for annual periods beginning on or after 1 January 2021 as disclosed below:

MFRSs and Amendments to MFRSs

MFRS amendments effective for financial periods beginning on or after 1 January 2021

Amendments to MFRS 4, 7, 9, 16, 139 - Interest Rate Benchmark Reform (Phase 2)

MFRS amendments effective for financial periods beginning on or after 1 January 2022

Amendments to MFRS 3 - Business Combinations - reference to conceptual framework

Amendments to MFRS 116 - Property, Plant and Equipment - Proceed before intended use

Annual improvements to MFRS Standards 2018 - 2020:-

Amendments to MFRS 137 - Onerous Contracts - Costs of fulfilling a contract

MFRS amendments effective for financial periods beginning on or after 1 January 2023

New MFRS 17, and subsequent amendments - Insurance Contracts

Amendments to MFRS 101 - Presentation of Financial Statements - Classification of liabilities as current or non-current

MFRS amendments deferred indefinitely

Amendments to MFRS 10 - Consolidated Financial Statements

Amendments to MFRS 28 - Investments in Associates and Joint Ventures

(Sale or contribution of assets between an investor and its associate or joint venture)

The Group and the Company plan to adopt the above applicable new MFRS and amendments/improvements to MFRS when they become effective.

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 30 June 2021.

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 2022.

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 2022.

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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

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 2022.

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 2022.

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

Save as disclosed in the following, the Group has no material capital commitments as at 30 June 2022.

	As at	
	30.06.2022	30.06.2021
	RM'000	RM'000
Capital expenditures approved by the directors:-		
- Contracted for	25,373	-

A14 Related party transactions

During the financial quarter ended 30 June 2022, 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 the business of the Group.

A15 Additional Disclosure Requirements to the Statements of Comprehensive Income

	Quarter Ended	Year-to-Date
	30.06.2022	Ended
	RM'000	30.06.2022
		RM'000
Interest income	(109)	(966)
Other income	(110)	(110)
Interest expense	45	199
Interest expense on lease liability	22	22
Depreciation and amortisation	374	613
Depreciation of right-of-use asset	93	196
Impairment loss on trade and other receivables	4,774	4,774
Impairment loss on investment in unquoted shares	6,917	6,917
Property, plant and equipment written off	1	1
Fair value loss on marketable securities	34,944	63,813
Unrealised foreign exchange gain	(804)	(915)

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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

The Group registered a revenue of RM4.3 million in the current quarter ended 30 June 2022. The revenue was contributed substantially from the Portfolio Investment Segment, which was 93% of the total revenue. The revenue for Portfolio Investment Segment was mainly derived from the selling of short term marketable securities. Besides, the Financial Assistance Services Segment contributed 6% of the total revenue.

The Group recorded a loss before taxation of RM51.1 million in the current quarter ended 30 June 2022. This was mainly due to the fair value loss on the marketable securities of RM34.9 million. Besides, there was an impairment loss of RM6.9 million and RM4.8 million on the investment of unquoted shares and trade and other receivables, respectively.

There is no preceding year corresponding period comparison due to the change in the financial year end from 31 March to 30 June.

B2 Variation of results against immediate preceding quarter

	<u>Current quarter</u> 30.06.2022 RM'000	<u>Preceding quarter</u> 31.03.2022 RM'000	Changes %
Revenue	4,306	2,138	101.4
(Loss)/Profit before taxation	(51,095)	(16,552)	(208.7)

The Group registered a revenue of RM4.3 million for the current quarter ended 30 June 2022, an increase of RM2.2 million or 1x higher as compared to RM2.2 million for the immediate preceding quarter ended 31 March 2022. The increase in revenue was mainly due to higher sales quantum of marketable securities in the current quarter.

Loss before taxation incurred by the Group for the fourth quarter ended 30 June 2022 was RM51.1 million as compared to a loss before tax of RM16.6 million in the immediate preceding quarter. The increase in loss before taxation of was mainly due to higher fair value loss recorded in the current quarter of RM34.9 million, as compared to the immediate preceding quarter of RM14.7 million. Also, there was an impairment loss of RM6.9 million and RM4.8 million on the investment of unquoted shares and trade and other receivables, respectively, during the current quarter under review.

B3 Prospects

The Malaysian economy is projected to expand further for the remainder of the year with the growth in the first half of 2022 at 6.9%. While external demand could face headwinds from slower global growth, the Malaysian economy will continue to be supported by firm domestic demand. Growth would also benefit from improving labour market conditions and higher tourist arrivals, as well as continued implementation of multi-year investment projects. However, Malaysia's growth remains susceptible to a weaker-than-expected global growth, further escalation of geopolitical conflicts and worsening supply chain disruptions.

Headline inflation is projected to trend higher in some months during the remainder of the year, due partly to the base effect from the discount on electricity prices implemented in 3Q 2021. Core inflation is expected to average higher in 2022, as demand continues to improve amid the high-cost environment. The extent of upside pressures on inflation is expected to remain partly contained by the existing price control measures, fuel subsidies and the continued spare capacity in the economy. Nevertheless, the inflation outlook continues to be contingent on upside risks stemming from the strength of domestic demand, global price developments, and domestic policy measures.

Malaysian Rubber Gloves Manufacturers Association (MARGMA) has a new global glove demand forecast, at about 399 billion pieces, which translates into an annual glove demand growth of between 10% and 12% in 2022. For 2023, it is expected that global annual glove demand to grow between 12% and 15%. The strong global glove demand will benefit Fintec Glove Sdn Bhd, a wholly-owned subsidiary of FINTEC involves in manufacturing and sale of examination gloves.

Sources:

- 1) Economic and Financial Developments in Malaysia in the Second Quarter of 2022 article issued by Bank Negara Malaysia on 12 August 2022
- 2) Rubber glove demand to grow between 10%, 12% this year, MARGMA says article issued by the Malaysian Reserve on 3 August 2022

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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

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

During the financial quarter ended 30 June 2022, the Group provided a provision for taxation as follows:-

	Quarter and Year-To-Date Ended	
	30.06.2022	30.06.2021
	RM'000	RM'000
Income tax - Current provision	41	-

Income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the current period.

B6 Trade receivables

	As at	
	30.06.2022	30.06.2021
	RM'000	RM'000
Trade receivables	25,379	4,994
Less: Allowance for impairment loss	(2,818)	-
	<u>22,561</u>	<u>4,994</u>

The ageing analysis of the Group's trade receivables to non-related parties as at 30 June 2022 is as follows:

	As at	
	30.06.2022	30.06.2021
	RM'000	RM'000
Neither past due nor impaired	22,007	4,994
Past due not impaired:		
30 days	137	-
31 - 60 days	63	-
61 - 90 days	18	-
91 - 180 days	99	-
> 181 days	3,055	-
Impaired	-	-
Gross trade receivables	<u>25,379</u>	<u>4,994</u>
Less: Allowance for impairment loss	<u>(2,818)</u>	<u>-</u>
	<u>22,561</u>	<u>4,994</u>

B7 Group's borrowings and debt securities

The Group has no borrowing or debt securities as at end of 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 2022.

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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 Ended		Year-To-Date Ended	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
Loss attributable to the owners of the Company (RM'000)	(50,958)	N/A	(86,250)	N/A
Basic EPS (sen)	(1.29)	N/A	(1.59)	N/A

b) Diluted EPS

	Quarter Ended		Year-To-Date Ended	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
Loss attributable to the owners of the Company (RM'000)	(50,958)	N/A	(86,250)	N/A
Weighted average number of ordinary shares in issue ('000)	3,963,028	N/A	5,409,913	N/A
Effective of dilution from conversion of ICPS ('000)	224,308	N/A	224,308	N/A
Effective of dilution from detachable warrants A ('000)	170,093	N/A	170,093	N/A
Effective of dilution from detachable warrants B ('000)	116,443	N/A	116,443	N/A
Effective of dilution from detachable warrants C ('000)	1,146,127	N/A	1,146,127	N/A
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	5,619,999	N/A	7,066,884	N/A
Diluted EPS (sen)	(0.91)	N/A	(1.22)	N/A

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

B11 Status of corporate proposals

There were no significant corporate proposals for the financial quarter ended 30 June 2022.

B12 Status of Utilisation of Proceeds

a) Status of utilisation of proceeds as at 30 June 2022, pursuant to the 30% Private Placement.

	Proposed Utilisation RM'000	Reallocation 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	-	(4,110)	890	By 14 Jan 2023
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>(17,410)</u>	<u>890</u>	

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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

B12 Status of Utilisation of Proceeds

b) Status of utilisation of proceeds as at 30 June 2022, pursuant to the R1WW.

	Proposed Utilisation RM'000	Reallocation RM'000	Actual Utilisation RM'000	Unutilised proceeds RM'000	Timeframe for the utilisation of proceeds
i) Construction of factory building for the Gloves Business	15,232	5,000	(20,232)	-	By 27 Dec 2022
ii) Capital expenditure for the Gloves Business	83,176	(5,000)	(34,352)	43,824	By 27 Dec 2022
iii) Working capital for the Gloves Business	15,498	13	(11,778)	3,733	By 27 Dec 2022
iv) Estimated expenses for the Corporate Exercises	711	(13)	(698)	-	Immediate
	<u>114,617</u>	<u>-</u>	<u>(67,060)</u>	<u>47,557</u>	

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

	Quarter Ended 30.06.2022 RM'000	Year-to-Date Ended 30.06.2022 RM'000
Total Comprehensive Loss	(51,095)	(86,449)
Non-Cash items:		
Interest expenses	45	199
Interest expense on lease liability	22	22
Depreciation of property, plant and equipment	374	613
Depreciation of right-of-use asset	93	196
Gain on unrealised foreign exchange	(804)	(915)
Impairment loss on trade and other receivables	4,774	4,774
Impairment loss on investment in unquoted shares	6,917	6,917
Loss on change in fairvalue	34,944	63,813
Property, plant and equipment written off	1	1
Share-based payment reserve	-	3,183
	<u>46,366</u>	<u>78,803</u>
Total Comprehensive loss before non-cash items	<u>(4,729)</u>	<u>(7,646)</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

Ng Sally

Goh Xin Yee

Company Secretaries