



FINTEC
GLOBAL BERHAD

FINTEC GLOBAL BERHAD

(Company No. 200701016619 (774628-U))

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 1ST QUARTER AND PERIOD ENDING 30 SEPTEMBER 2022**

Fintec Global Berhad

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE 1ST QUARTER AND PERIOD ENDING 30 SEPTEMBER 2022

(The figures have not been audited)

| | Quarter Ended | | Year-To-Date Ended | |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | 30.09.2022 RM'000 | 30.09.2021 RM'000 | 30.09.2022 RM'000 | 30.09.2021 RM'000 |
| Revenue | 724 | 2,166 | 724 | 2,166 |
| Cost of sales | (993) | (380) | (993) | (380) |
| Gross (loss)/profit | (269) | 1,786 | (269) | 1,786 |
| Other operating income | 1,312 | 402 | 1,312 | 402 |
| Operating expenses | (2,172) | (2,982) | (2,172) | (2,982) |
| Fair value loss/(gain) on investment securities | (26,821) | 24,396 | (26,821) | 24,396 |
| Finance costs | (7) | (30) | (7) | (30) |
| (Loss)/Profit before taxation | (27,957) | 23,572 | (27,957) | 23,572 |
| Tax expense | - | - | - | - |
| Loss/(Profit) for the period | (27,957) | 23,572 | (27,957) | 23,572 |
| Other comprehensive (loss)/profit: <u>Items that may be subsequently reclassified to profit or loss:</u> | | | | |
| Foreign currency translation differences for foreign operations | 243 | 80 | 243 | 80 |
| Total comprehensive (loss)/profit for the period | (27,714) | 23,652 | (27,714) | 23,652 |
| (Loss)/Profit attributable to: | | | | |
| Owners of the Company | (27,839) | 23,590 | (27,839) | 23,590 |
| Non-controlling interest | (118) | (18) | (118) | (18) |
| | (27,957) | 23,572 | (27,957) | 23,572 |
| Total comprehensive (loss)/profit attributable to: | | | | |
| Owners of the Company | (27,596) | 23,670 | (27,596) | 23,670 |
| Non-controlling interest | (118) | (18) | (118) | (18) |
| | (27,714) | 23,652 | (27,714) | 23,652 |
| | Quarter Ended | | Year-To-Date Ended | |
| | 30.09.2022 Sen per share | 30.09.2021 Sen per share | 30.09.2022 Sen per share | 30.09.2021 Sen per share |
| (Loss)/Earnings Per Share attributable to equity owners of the Company (sen) | | | | |
| - Basic | (0.59) | 0.54 | (0.51) | 0.58 |
| - Diluted | (0.44) | 0.39 | (0.39) | 0.41 |

Notes:

The condensed consolidated statements of comprehensive income are prepared based on the consolidated results of the Group for the quarter ended 30 September 2022 and is to be read in conjunction with the audited consolidated financial statements for the financial year ended 30 June 2022 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 2022

(The figures have not been audited)

| | Unaudited As at 30.09.2022 RM'000 | Audited As at 30.06.2022 RM'000 |
|---|--|--|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 86,596 | 86,741 |
| Right-of-use asset | 499 | 582 |
| Investment securities | 65,123 | 88,546 |
| Investment in unquoted shares | 3,849 | 3,849 |
| Assets held for sale | 14,070 | 14,070 |
| | <u>170,137</u> | <u>193,788</u> |
| Current assets | | |
| Receivables, deposits and prepayments | 21,500 | 28,378 |
| Investment securities | 8,715 | 5,939 |
| Short term investment | 40,155 | 49,612 |
| Inventories | 3,272 | 3,495 |
| Cash and cash equivalents | 6,295 | 3,505 |
| | <u>79,937</u> | <u>90,929</u> |
| TOTAL ASSETS | <u>250,074</u> | <u>284,717</u> |
| EQUITY AND LIABILITIES | | |
| Share capital | 368,619 | 368,619 |
| ICPS | 7,369 | 7,369 |
| Reserves | 46,022 | 45,779 |
| Retained profits | (203,803) | (175,964) |
| Total equity attributable to owners of the Company | <u>218,207</u> | <u>245,803</u> |
| Non-controlling interest | (2,066) | (1,948) |
| Total equity | <u>216,141</u> | <u>243,855</u> |
| Non-current liabilities | | |
| Lease liability | 287 | 326 |
| Total non-current liabilities | <u>287</u> | <u>326</u> |
| Current liabilities | | |
| Payables and accruals | 33,367 | 40,196 |
| Lease liability | 253 | 340 |
| Current tax liabilities | 26 | - |
| Total current liabilities | <u>33,646</u> | <u>40,536</u> |
| Total liabilities | <u>33,933</u> | <u>40,862</u> |
| TOTAL EQUITY AND LIABILITIES | <u>250,074</u> | <u>284,717</u> |
| Net assets per share attributable to equity holders of the Company (sen) | <u>3.68</u> | <u>4.12</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 2022 and is to be read in conjunction with the audited consolidated financial statements for the financial year ended 30 June 2022 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 September 2022.

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDING 30 SEPTEMBER 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 2021 | 325,640 | 7,369 | 45,811 | (207) | (89,009) | 289,604 | (1,742) | 287,862 |
| 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 | 3,951 | - | - | - | - | 3,951 | - | 3,951 |
| Total transactions with owners of the Company | 42,979 | - | - | - | - | 42,979 | - | 42,979 |
| Loss for the period | - | - | - | - | (86,955) | (86,955) | (206) | (87,161) |
| Foreign currency translation differences for foreign operations | - | - | - | 175 | - | 175 | - | 175 |
| Balance as at 30 June 2022 | 368,619 | 7,369 | 45,811 | (32) | (175,964) | 245,803 | (1,948) | 243,855 |

Unaudited

| | | | | | | | | |
|---|----------------|--------------|---------------|------------|------------------|----------------|----------------|----------------|
| Balance as at 1 July 2022 | 368,619 | 7,369 | 45,811 | (32) | (175,964) | 245,803 | (1,948) | 243,855 |
| Transaction with owners of the Company: | | | | | | | | |
| Issuance of ordinary shares pursuant to ESOS | - | - | - | - | - | - | - | - |
| Issuance of ordinary shares pursuant to Private Placement | - | - | - | - | - | - | - | - |
| Share issuance expenses | - | - | - | - | - | - | - | - |
| Total transactions with owners of the Company | - | - | - | - | - | - | - | - |
| Loss for the period | - | - | - | - | (27,839) | (27,839) | (118) | (27,957) |
| Foreign currency translation differences for foreign operations | - | - | - | 243 | - | 243 | - | 243 |
| Balance as at 30 September 2023 | 368,619 | 7,369 | 45,811 | 211 | (203,803) | 218,207 | (2,066) | 216,141 |

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 2022 and is to be read in conjunction with the audited consolidated financial statements for the financial year ended 30 June 2022 and the accompanying explanatory notes attached to these interim financial statements.

Fintec Global Berhad

(Company No. 200701016619 (774628-U))

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDING 30 SEPTEMBER 2022

(The figures have not been audited)

| | Year-To-Date Ended | |
|--|----------------------|----------------------|
| | 30.09.2022 RM'000 | 30.09.2021 RM'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| (Loss)/Profit before tax | (27,957) | 23,572 |
| Adjustments for : | | |
| Depreciation of property, plant and equipment | 192 | 79 |
| Depreciation on right-of-use asset | 83 | 34 |
| Fair value loss/(gain) on investment securities | 26,821 | (24,396) |
| Gain on unrealised foreign exchange | (962) | (20) |
| Interest income | (2) | (334) |
| Interest expense | - | 30 |
| Interest expense on lease liability | 7 | - |
| Loss on disposal of investment securities | 76 | - |
| Unrealised gain on other investment | (224) | - |
| Operating loss before working capital changes | (1,966) | (1,035) |
| Changes in working capital: | | |
| Proceeds from disposal of investment securities | 103 | - |
| Purchase of investment securities | (6,352) | (28,196) |
| Decrease/(Increase) in inventories | 223 | (46) |
| Decrease/(Increase) in trade and other receivables | 6,605 | (16,526) |
| Decrease in trade and other payables | (5,520) | (1,073) |
| Cash used in operations | (6,907) | (46,876) |
| Income tax paid | (50) | - |
| Interest received | 2 | 334 |
| Net cash used in operating activities | (6,955) | (46,542) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (46) | (3,634) |
| Withdrawal of short term investment | 9,681 | 19,674 |
| Net cash generated from investing activities | 9,635 | 16,040 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Interest paid | (7) | (30) |
| Proceeds from issuance of shares pursuant to Private Placement | - | 18,041 |
| Proceeds from issuance of shares pursuant to ESOS | - | 12,603 |
| Repayment of lease liabilities | (126) | - |
| Net cash (used in)/generated from financing activities | (133) | 30,614 |
| Net increase in cash and cash equivalents | 2,547 | 112 |
| Effect of exchange rate changes | 243 | 80 |
| Cash and cash equivalents at beginning of the year | 3,505 | 19,481 |
| Cash and cash equivalents at end of the period | 6,295 | 19,673 |
| <u>Cash and cash equivalents consist of:</u> | | |
| Cash and bank balances | 6,295 | 19,673 |
| | 6,295 | 19,673 |

Notes:

The condensed consolidated statements of cash flow for the quarter ended 30 September 2022 is to be read in conjunction with the audited consolidated financial statements for the financial year ended 30 June 2022 and the accompanying explanatory notes attached to these interim financial statements.

Fintec Global Berhad

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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 2022. 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 2022.

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 2022 except for the adoption of the following standards that have been issued as at the reporting date but are not yet effective: -

MFRSs and Amendments to MFRSs

MFRSs, Interpretation and amendments effective for annual periods beginning on or after 1 January 2022

Amendments to MFRS 1 - First-time Adoption of MFRSs (Annual Improvements to MFRS Standards 2018-2020 Cycle)

Amendments to MFRS 3 - Reference to the Conceptual Framework, (Business Combinations)

Amendments to MFRS 9 - Financial Instruments (Annual Improvements to MFRS Standards 2018-2020 Cycle)

Amendments to MFRS 116 - Property, Plant and Equipment - Proceed Before Intended Use

Amendments to MFRS 137 - Onerous Contracts - Cost of Fulfilling a Contract

Amendments to MFRS 141 - Agriculture (Annual Improvements to MFRS Standards 2018-2020 Cycle)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2023

MFRS 17 and amendments to MFRS 17- Insurance Contracts

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

Amendments to MFRS 101 - Presentation of Financial Statements - Disclosure of Accounting Estimates

Amendments to MFRS 112 - Income Tax - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

MFRSs, Interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

Amendments to MFRS 10 - Consolidated Financial Statements

Amendments to MFRS 128 - 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 standards 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 2022.

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 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 September 2022.

A6 Debt and equity securities

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 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

A7 Dividend paid

There were no dividends paid by the Group during the financial quarter ended 30 September 2022.

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 2022

| | Incubation RM'000 | Portfolio Investment RM'000 | Bioechnolo gy Products RM'000 | Financial Services RM'000 | Glove business RM'000 | Elimination RM'000 | Group RM'000 |
|--------------------------------------|----------------------|-----------------------------------|--|---------------------------------|-----------------------------|-----------------------|-----------------|
| Revenue | | | | | | | |
| External sales | - | 103 | 470 | 63 | 88 | - | 724 |
| Intersegment revenue | - | - | - | - | - | - | - |
| | - | 103 | 470 | 63 | 88 | - | 724 |
| Results from operating activities | - | (25,934) | (494) | 40 | (874) | | (27,262) |
| Finance costs | - | - | (4) | - | | | (4) |
| Net unallocated expenses | | | | | | | (691) |
| Profit before taxation | | | | | | | (27,957) |
| Profit for the period | | | | | | | (27,957) |
| Segment assets | 45,915 | 94,430 | 718 | 1,540 | 106,501 | | 249,104 |
| Unallocated assets | | | | | | | 970 |
| Total assets | | | | | | | 250,074 |
| Segment liabilities | 386 | 54 | 644 | 26 | 30,821 | | 31,931 |
| Unallocated liabilities | | | | | | | 2,002 |
| Total liabilities | | | | | | | 33,933 |

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 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 September 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.

Fintec Global Berhad

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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

A13 Capital commitments

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

| | As at | |
|--|------------|------------|
| | 30.09.2022 | 30.09.2021 |
| | RM'000 | RM'000 |
| Capital expenditures approved by the directors:- | | |
| - Contracted for | 15,846 | 63,615 |

A14 Related party transactions

During the financial quarter ended 30 September 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 and Year-to-Date Ended | |
|---|-----------------------------------|------------|
| | 30.09.2022 | 30.09.2021 |
| | RM'000 | RM'000 |
| Interest income | (2) | (334) |
| Other income | (123) | - |
| Interest expense | - | 30 |
| Interest expense on lease liability | (7) | - |
| Depreciation and amortisation | 192 | 79 |
| Depreciation of right-of-use asset | 83 | 34 |
| Fair value loss/(gain) on marketable securities | 26,821 | (24,396) |
| Unrealised foreign exchange gain | (962) | (20) |

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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

a) Current Quarter and Year-to-Date Ended vs. Previous Year Corresponding Quarter and Previous Year-to-Date Ended

| Key Profit or Loss items: | Quarter and Year-to-Date Ended | | | % |
|--|--------------------------------|----------------------|-------------------|---------|
| | 30.09.2022 RM'000 | 30.09.2021 RM'000 | Changes RM'000 | |
| Revenue | 724 | 2,166 | (1,442) | (66.6) |
| (Loss)/Profit Before Tax | (27,957) | 23,572 | (51,529) | (218.6) |
| Net (loss)/profit attributable to equity holders | (27,839) | 23,590 | (51,429) | (218.0) |

The Group registered a revenue of RM0.7 million for the quarter ended 30 September 2022, representing a decrease of RM1.4 million as compared to RM2.2 million in the previous year's corresponding quarter. The two (2) main revenue contributors were the Biotechnology Products Segment and the Portfolio Investment Segment, which contributed 65% and 15%, respectively, to the total revenue. Whereas the Glove Business segment and the Financial Services Segment had contributed 12% and 8%, respectively, to the total revenue.

The Group recorded a loss before tax and a net loss attributable to equity holders of RM28 million respectively for the quarter ended 30 September 2022 as compared to a profit before tax and a net profit attributable to equity holders of RM23.6 million, respectively, in the corresponding quarter ended 30 September 2021.

The increase in loss before tax and loss attributable to equity holders of RM51 million or 2x lower as compared to previous year's corresponding quarter was mainly due to the mark-to-market loss of the marketable securities of RM27 million in the current quarter ended 30 September 2022 in opposed to a mark-to-market gain on the marketable securities of RM24 million in the previous year's corresponding quarter ended 30 September 2021.

Performance of the respective operating business segments for the 1st quarter ending 30 September 2022 as compared to the previous year's corresponding quarter is analysed as follows:-

| (Loss)/Profit Before Tax by Segments | Quarter and Year-to-Date Ended | | | % |
|--------------------------------------|--------------------------------|----------------------|-------------------|---------|
| | 30.09.2022 RM'000 | 30.09.2021 RM'000 | Changes RM'000 | |
| Portfolio investment | (25,934) | 24,103 | (50,037) | (207.6) |
| Biotechnology products | (494) | 1,761 | (2,255) | (128.1) |
| Financial services | 40 | (32) | 72 | 225.0 |
| Glove business | (874) | (95) | (779) | (820.0) |

Portfolio investment

Loss before tax increased by RM50 million (2x) to a loss before tax of RM25.9 million which was mainly due to the mark-to-market loss of RM27 million as compared to a mark-to-market gain of RM24 million in the Group's strategic investments in the previous year's corresponding quarter.

Biotechnology products

Loss before tax increased by RM2.3 million (1.3x) to RM0.5 million as compared to the previous year's corresponding quarter. This was mainly due to the decrease in revenue of RM1.7 million and increased in operating expenses of RM0.4million.

Financial services

Profit before tax increased by 2.2x to RM0.04 million in the current quarter as compared to previous year's corresponding quarter. This was mainly due to the interest income generated in the current quarter ended 30 September 2022.

Glove business

Loss before tax increased by RM0.8 million to RM0.9 million in the current quarter as compared to previous year's corresponding quarter. This was mainly due to the increase in operating expenses, arose from the glove business operations in the local and foreign subsidiaries.

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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

| Key Balance Sheet Items: | Year-To-Date Ended | | | % |
|--------------------------|----------------------|----------------------|-------------------|---------------|
| | 30.09.2022 RM'000 | 30.09.2021 RM'000 | Changes RM'000 | |
| Investment securities :- | | | | |
| Non-current | 65,123 | 148,854 | (83,731) | (56.3) |
| Current | 8,715 | 17,307 | (8,592) | (49.6) |
| | <u>73,838</u> | <u>166,161</u> | <u>(92,323)</u> | <u>(55.6)</u> |
| Trade and other payables | 33,367 | 6,831 | (26,536) | (388.5) |

The Group's investment in marketable securities decreased by RM92.3 million or 55.6% to RM73.8 million as at 30 September 2022 as compared to RM166.2 million as at 30 September 2021, which was mainly due to fair value loss on the quoted securities.

Total trade and other payables increased by 3.9x or RM26.5 million over the same period to RM33.4 million as at 30 September 2022, which was mainly due to the payables of RM16 million and deposit received of RM14.7 million for the glove business.

B2 Variation of results against immediate preceding quarter

| | Current quarter | Preceding quarter | Changes % |
|----------------------|----------------------|----------------------|--------------|
| | 30.09.2022 RM'000 | 30.06.2022 RM'000 | |
| Revenue | 724 | 4,306 | (83.2) |
| Loss before taxation | (27,957) | (51,095) | 45.3 |

The Group registered a revenue of RM0.7 million for the current quarter ended 30 September 2022, representing a decrease of RM3.6 million or 83.2% lower as compared to RM4.3 million for the immediate preceding quarter ended 30 June 2022. The decrease in revenue was mainly due to lower sales quantum of marketable securities in the current quarter.

The Group incurred a loss before taxation of RM28 million for the first quarter ended 30 September 2022 as compared to RM51.1 million in the immediate preceding quarter ended 30 June 2022. The decrease in loss before taxation was mainly due to lower fair value loss recorded in the current quarter of RM27 million, as compared to the immediate preceding quarter of RM34.9 million. Besides, there was an impairment loss on investment of unquoted shares of RM6.9 million and RM4.8 million of impairment loss on trade and other receivables, in the preceding quarter ended 30 June 2022.

B3 Prospects

The Malaysian economy will continue to expand, albeit at a more moderate pace, in the fourth quarter of 2022. The expected slower pace of growth reflects the more challenging global environment as well as absence of base effects. Nevertheless, growth for the whole year of 2022 is expected to remain robust given the strong outturns in the first three quarters of the year.

Moving forward, the Malaysian economy is expected to expand by 4.0 - 5.0% in 2023. The Malaysian economy will continue to be supported by firm domestic demand amid continued improvements in the labour market. Growth would also benefit from the realisation of large infrastructure projects as well as higher tourist arrivals. However, Malaysia's growth remains susceptible to a weaker-than-expected global growth, higher risk aversion in global financial markets, further escalation of geopolitical conflicts and re-emergence of supply chain disruptions.

In 2023, headline and core inflation are expected to remain elevated amid both demand and cost pressures, as well as any changes to domestic policy measures. Additional upward pressures to inflation will remain partly contained by the existing price controls, subsidies, and the remaining spare capacity in the economy. The balance of risk to the inflation outlook in 2023 is tilted to the upside and continues to be subject to domestic policy measures on subsidies, as well as global commodity price developments arising mainly from the ongoing military conflict in Ukraine and prolonged supply-related disruptions. Nonetheless, the Group remains committed in embracing the challenges by continuously identifying strategic initiatives and looking for viable business ventures.

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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

B3 Prospects (Cont'd)

Global gloves market is expected to gain market growth in the forecast period of 2022 to 2029. Data Bridge Market Research analyzes that the market is growing with a CAGR of 9.4% in the forecast period of 2022 to 2029 and is expected to reach USD 47,410.83 million by 2029. The strong global gloves 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 Third Quarter of 2022 article issued by Bank Negara Malaysia on 11 November 2022
- 2) Global Gloves Market – Industry Trends and Forecast to 2029 article issued by databridgemarketresearch.com in October 2022

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 September 2022, the Group provided a provision for taxation as follows:-

| | Quarter and Year-To-Date Ended | |
|--------------------------------|-----------------------------------|------------|
| | 30.09.2022 | 30.09.2021 |
| | RM'000 | RM'000 |
| Income tax - Current provision | 26 | - |

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 | |
|-------------------------------------|---------------|---------------|
| | 30.09.2022 | 30.09.2021 |
| | RM'000 | RM'000 |
| Trade receivables | 17,535 | 18,646 |
| Less: Allowance for impairment loss | - | - |
| | <u>17,535</u> | <u>18,646</u> |

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

| | As at | |
|-------------------------------------|---------------|---------------|
| | 30.09.2022 | 30.09.2021 |
| | RM'000 | RM'000 |
| Neither past due nor impaired | 16,720 | 18,646 |
| Past due not impaired: | | |
| 30 days | 291 | - |
| 31 - 60 days | 103 | - |
| 61 - 90 days | 29 | - |
| 91 - 180 days | 66 | - |
| > 181 days | 3,144 | - |
| Impaired | (2,818) | - |
| Gross trade receivables | <u>17,535</u> | <u>18,646</u> |
| Less: Allowance for impairment loss | - | - |
| | <u>17,535</u> | <u>18,646</u> |

B7 Group's borrowings and debt securities

The Group has no borrowing or debt securities as at end of the reporting date.

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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 2022.

B10 Earnings per share ("EPS")

a) Basic EPS

| | Quarter Ended | | Year-To-Date Ended | |
|--|---------------|-------------|--------------------|-------------|
| | 30.09.2022 | 30.09.2021 | 30.09.2022 | 30.09.2021 |
| (Loss)/Profit attributable to the owners of the Company (RM'000) | (27,839) | 23,590 | (27,839) | 23,590 |
| Basic EPS (sen) | (0.59) | 0.54 | (0.51) | 0.58 |

b) Diluted EPS

| | Quarter Ended | | Year-To-Date Ended | |
|--|---------------|-------------|--------------------|-------------|
| | 30.09.2022 | 30.09.2021 | 30.09.2022 | 30.09.2021 |
| (Loss)/Profit attributable to the owners of the Company (RM'000) | (27,839) | 23,590 | (27,839) | 23,590 |
| Weighted average number of ordinary shares in issue ('000) | 4,727,196 | 4,401,432 | 5,409,913 | 4,060,544 |
| Effective of dilution from conversion of ICPS ('000) | 224,308 | 224,308 | 224,308 | 224,308 |
| Effective of dilution from detachable warrants A ('000) | 170,093 | 170,093 | 170,093 | 170,093 |
| Effective of dilution from detachable warrants B ('000) | 116,443 | 116,443 | 116,443 | 116,443 |
| Effective of dilution from detachable warrants C ('000) | 1,146,127 | 1,146,175 | 1,146,127 | 1,146,175 |
| Adjusted weighted average number of ordinary shares in issue and issuable ('000) | 6,384,167 | 6,058,451 | 7,066,884 | 5,717,563 |
| Diluted EPS (sen) | (0.44) | 0.39 | (0.39) | 0.41 |

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 September 2022.

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B12 Status of Utilisation of Proceeds

a) Status of utilisation of proceeds as at 30 September 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 | - | (4,354) | 646 | 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>(17,654)</u> | <u>646</u> | |

B12 Status of Utilisation of Proceeds

b) Status of utilisation of proceeds as at 30 September 2022, pursuant to the RIWW.

| | 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 | 13,670 | (21,093) | 7,809 | By 27 Dec 2022 |
| ii) Capital expenditure for the Gloves Business | 83,176 | (18,670) | (39,397) | 25,109 | By 27 Dec 2022 |
| iii) Working capital for the Gloves Business | 15,498 | 5,013 | (13,579) | 6,932 | By 27 Dec 2022 |
| iv) Estimated expenses for the Corporate Exercises | 711 | (13) | (698) | - | Immediate |
| | <u>114,617</u> | <u>-</u> | <u>(74,767)</u> | <u>39,850</u> | |

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

| | Quarter Ended and Year-to-Date Ended | |
|--|---|----------------------|
| | 30.09.2022 RM'000 | 30.09.2021 RM'000 |
| Total Comprehensive (Loss)/Profit | (27,714) | 23,652 |
| Non-Cash items: | | |
| Interest expenses | - | 30 |
| Interest expense on lease liability | 7 | |
| Depreciation of property, plant and equipment | 192 | 79 |
| Depreciation of right-of-use asset | 83 | 34 |
| Gain on unrealised foreign exchange | (962) | (20) |
| Loss/(Gain) on change in fairvalue | 26,821 | (24,396) |
| Share-based payment reserve | - | 1,453 |
| | <u>26,141</u> | <u>(22,820)</u> |
| Total Comprehensive (loss)/profit before non-cash items | <u>(1,573)</u> | <u>832</u> |

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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