



FINTEC
GLOBAL BERHAD

FINTEC GLOBAL BERHAD

(Company No. 200701016619 (774628-U))

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 2ND QUARTER AND PERIOD ENDING 31 DECEMBER 2022**

Fintec Global Berhad

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE 2ND QUARTER AND PERIOD ENDING 31 DECEMBER 2022

(The figures have not been audited)

	Quarter Ended			Year-To-Date Ended			
	31.12.2022 RM'000	31.12.2021 RM'000	Changes %	31.12.2022 RM'000	31.12.2021 RM'000	Changes %	
Revenue	1,083	10,651	(89.8)	1,807	12,817	(85.9)	
Cost of sales	(385)	(10,723)	96.4	(1,378)	(11,103)	87.6	
Gross profit/(loss)	698	(72)	1069.4	429	1,714	(75.0)	
Other operating (expenses)/income	(717)	246	(391.5)	595	648	(8.2)	
Operating expenses	(2,639)	(3,990)	33.9	(4,811)	(6,972)	31.0	
Fair value gain/(loss) on investment securities	9,298	(38,522)	124.1	(17,523)	(14,126)	(24.0)	
Finance costs	(6)	(30)	80.0	(13)	(60)	78.3	
Profit/(Loss) before taxation	6,634	(42,368)	115.7	(21,323)	(18,796)	(13.4)	
Tax expense	-	-	-	-	-	-	
Profit/(Loss) for the period	6,634	(42,368)	115.7	(21,323)	(18,796)	(13.4)	
Other comprehensive profit/(loss): <u>Items that may be subsequently reclassified to profit or loss:</u>							
Foreign currency translation differences for foreign operations	(271)	(30)	(803.3)	(28)	50	(156.0)	
Total comprehensive profit/(loss) for the period	6,363	(42,398)	115.0	(21,351)	(18,746)	(13.9)	
Profit/(Loss) attributable to:							
Owners of the Company	6,780	(42,353)	116.0	(21,059)	(18,763)	(12.2)	
Non-controlling interest	(146)	(15)	(873.3)	(264)	(33)	(700.0)	
	6,634	(42,368)	115.7	(21,323)	(18,796)	(13.4)	
Total comprehensive profit/(loss) attributable to:							
Owners of the Company	6,509	(42,383)	(115.4)	(21,087)	(18,713)	(12.7)	
Non-controlling interest	(146)	(15)	(873.3)	(264)	(33)	(700.0)	
	6,363	(42,398)	115.0	(21,351)	(18,746)	(13.9)	
				Quarter Ended		Year-To-Date Ended	
				31.12.2022	31.12.2021	31.12.2022	31.12.2021
				Sen per	Sen per	Sen per	Sen per
				share	share	share	share
(Loss)/Earnings Per Share attributable to equity owners of the Company (sen)							
- Basic				0.14	(1.02)	(0.39)	(0.38)
- Diluted				0.11	(0.73)	(0.30)	(0.29)

Notes:

The condensed consolidated statements of comprehensive income are prepared based on the consolidated results of the Group for the quarter ended 31 December 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 31 DECEMBER 2022

(The figures have not been audited)

	Unaudited As at 31.12.2022 RM'000	Audited As at 30.06.2022 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	87,322	86,741
Right-of-use asset	371	582
Investment securities	75,289	88,546
Investment in unquoted shares	3,849	3,849
Assets held for sale	14,070	14,070
	<u>180,901</u>	<u>193,788</u>
Current assets		
Receivables, deposits and prepayments	19,344	28,378
Investment securities	8,832	5,939
Short term investment	40,451	49,612
Inventories	3,453	3,495
Cash and cash equivalents	4,169	3,505
	<u>76,249</u>	<u>90,929</u>
TOTAL ASSETS	<u>257,150</u>	<u>284,717</u>
EQUITY AND LIABILITIES		
Share capital	368,619	368,619
ICPS	7,369	7,369
Reserves	35,181	45,779
Accumulated losses	(186,453)	(175,964)
Total equity attributable to owners of the Company	<u>224,716</u>	<u>245,803</u>
Non-controlling interest	(2,212)	(1,948)
Total equity	<u>222,504</u>	<u>243,855</u>
Non-current liabilities		
Lease liability	206	326
Total non-current liabilities	<u>206</u>	<u>326</u>
Current liabilities		
Payables and accruals	34,177	40,196
Lease liability	246	340
Current tax liabilities	17	-
Total current liabilities	<u>34,440</u>	<u>40,536</u>
Total liabilities	<u>34,646</u>	<u>40,862</u>
TOTAL EQUITY AND LIABILITIES	<u>257,150</u>	<u>284,717</u>
Net assets per share attributable to equity holders of the Company (sen)	<u>3.79</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 31 December 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 31 December 2022.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDING 31 DECEMBER 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:								
Warrant reserve adjustment for Warrants B	-	-	(10,570)	-	10,570	-	-	-
Total transactions with owners of the Company	-	-	(10,570)	-	10,570	-	-	-
Loss for the period	-	-	-	-	(21,059)	(21,059)	(264)	(21,323)
Foreign currency translation differences for foreign operations	-	-	-	(28)	-	(28)	-	(28)
Balance as at 31 December 2022	368,619	7,369	35,241	(60)	(186,453)	224,716	(2,212)	222,504

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 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

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDING 31 DECEMBER 2022

(The figures have not been audited)

	Year-To-Date Ended	
	31.12.2022 RM'000	31.12.2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(21,323)	(18,796)
Adjustments for :		
Depreciation of property, plant and equipment	383	159
Depreciation on right-of-use asset	158	68
Fair value loss on investment securities	17,523	14,126
Loss on unrealised foreign exchange	102	68
Interest income	(2)	(713)
Interest expense	-	60
Interest expense on lease liability	13	-
Loss on disposal of investment securities	83	308
Unrealised gain on other investment	(550)	-
Operating loss before working capital changes	(3,613)	(4,720)
Changes in working capital:		
Proceeds from disposal of investment securities	103	10,251
Purchase of investment securities	(7,344)	(54,065)
Decrease/(Increase) in inventories	42	(38)
Decrease/(Increase) in trade and other receivables	7,696	(24,592)
(Decrease)/Increase in trade and other payables	(4,710)	10,594
Cash used in operations	(7,826)	(62,570)
Income tax paid	(58)	-
Interest received	2	713
Net cash used in operating activities	(7,882)	(61,857)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(964)	(24,801)
Withdrawal of short term investment	9,711	29,379
Net cash generated from investing activities	8,747	4,578
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(13)	(60)
Proceeds from issuance of shares pursuant to Private Placement	-	18,041
Proceeds from issuance of shares pursuant to ESOS	-	22,890
Repayment of lease liabilities	(160)	-
Net cash (used in)/generated from financing activities	(173)	40,871
Net increase/(decrease) in cash and cash equivalents	692	(16,408)
Effect of exchange rate changes	(28)	50
Cash and cash equivalents at beginning of the year	3,505	19,481
Cash and cash equivalents at end of the period	4,169	3,123
<u>Cash and cash equivalents consist of:</u>		
Cash and bank balances	4,169	3,123
	4,169	3,123

Notes:

The condensed consolidated statements of cash flow for the quarter ended 31 December 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.

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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 31 December 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 31 December 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 31 December 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 31 December 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 31 December 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	910	126	668	-	1,807
Intersegment revenue	-	-	-	-	36	(36)	-
	-	103	910	126	704	(36)	1,807
Results from operating activities	-	(17,744)	(232)	65	(1,891)		(19,802)
Finance costs	-	-	(8)	-			(8)
Net unallocated expenses							(1,513)
Profit before taxation							(21,323)
Profit for the period							(21,323)
Segment assets	44,128	103,083	1,005	551	107,461		256,228
Unallocated assets							922
Total assets							257,150
Segment liabilities	325	425	560	17	31,380		32,707
Unallocated liabilities							1,939
Total liabilities							34,646

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 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 31 December 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.

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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 31 December 2022.

	As at	
	31.12.2022	31.12.2021
	RM'000	RM'000
Capital expenditures approved by the directors:-		
- Contracted for	15,846	48,731

A14 Related party transactions

During the financial quarter ended 31 December 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 Ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Interest income	-	(379)	(2)	(713)
Other income	(14)	-	(137)	-
Interest expense	-	30	-	60
Interest expense on lease liability	6	-	13	-
Depreciation and amortisation	191	80	383	159
Depreciation of right-of-use asset	75	34	158	68
Fair value (gain)/loss on marketable securities	(9,298)	38,522	17,523	14,126
Unrealised foreign exchange loss	1,064	88	102	68

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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 vs. Previous Year Corresponding Quarter Ended

Key Profit or Loss items:	Quarter Ended			%
	31.12.2022 RM'000	31.12.2021 RM'000	Changes RM'000	
Revenue	1,083	10,651	(9,568)	(89.8)
Profit/(Loss) Before Tax	6,634	(42,368)	49,002	115.7
Net profit/(loss) attributable to equity holders	6,780	(42,353)	49,133	116.0

The Group registered a revenue of RM1.1 million for the quarter ended 31 December 2022, representing a decrease of RM9.6 million as compared to RM10.65 million in the previous year's corresponding quarter. The decrease in revenue was mainly due to lower sales quantum of the marketable securities. The two (2) main revenue contributors were the Biotechnology Products Segment (50%) and the Glove Business Segment (37%).

The Group recorded a profit before tax of RM6.7 million and a net profit attributable to equity holders of RM6.8 million respectively for the quarter ended 31 December 2022 as compared to a loss before tax and a net loss attributable to equity holders of RM42.4 million, respectively, in the previous year's corresponding quarter ended 31 December 2021.

The increase in profit before tax and profit attributable to equity holders of RM49 million or 1x higher as compared to previous year's corresponding quarter was mainly due to the mark-to-market gain of the marketable securities of RM9.3 million in the current quarter ended 31 December 2022 as opposed to a mark-to-market loss on the marketable securities of RM38.5 million in the previous year's corresponding quarter ended 31 December 2021.

Performance of the respective operating business segments for the 2nd quarter ending 31 December 2022 as compared to the previous year's corresponding quarter is analysed as follows:-

Profit/(Loss) Before Tax by Segments	Quarter Ended			%
	31.12.2022 RM'000	31.12.2021 RM'000	Changes RM'000	
Portfolio investment	8,190	(38,876)	47,066	121.1
Biotechnology products	262	(159)	421	264.8
Financial services	25	26	(1)	(3.8)
Glove business	(1,017)	(794)	(223)	(28.1)

Portfolio investment

Profit before tax increased by RM47.1 million (1x) to RM8.2 million which was mainly due to the mark-to-market gain of RM9.3 million as opposed to a mark-to-market loss of RM38.5 million in the Group's strategic investments in the previous year's corresponding quarter.

Biotechnology products

Profit before tax increased by RM0.4 million to RM0.3 million as compared to the previous year's corresponding quarter. This was mainly due to the increase in revenue of RM0.1 million in the current quarter ended 31 December 2022.

Financial services

Profit before tax has slightly decreased by 3.8% in the current quarter as compared to previous year's corresponding quarter.

Glove business

Loss before tax increased by RM0.2 million to RM1 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

	Year-To-Date Ended			%
	31.12.2022	31.12.2021	Changes	
Key Profit or Loss items:	RM'000	RM'000	RM'000	
Revenue	1,807	12,817	(11,010)	(85.9)
Loss before tax	(21,323)	(18,796)	(2,527)	(13.4)
Net loss attributable to equity holders	(21,059)	(18,763)	(2,296)	(12.2)

	Year-To-Date Ended			%
	31.12.2022	31.12.2021	Changes	
Key Balance Sheet Items:	RM'000	RM'000	RM'000	
Investment securities :-				
Non-current	75,289	142,415	(67,126)	(47.1)
Current	8,832	533	8,299	1,557.0
	84,121	142,948	(58,827)	(41.2)
Trade and other payables	34,177	18,531	(15,646)	(84.4)

The Group's revenue for the period ending 31 December 2022 stood at RM1.8 million, a decrease of RM11 million as compared to RM12.8 million in the previous year's corresponding period, resulted from lower sales quantum of the marketable securities in the current reporting period.

The Group recorded a loss before tax of RM21.3 million for the period ending 31 December 2022 as compared to loss before tax of RM18.8 million in the corresponding period ended 31 December 2021. The Group's net loss attributable to equity holders stood at RM21 million, an increase of RM2.3 million as compared to the net loss attributable to equity holders of RM18.8 million in previous year's corresponding period.

The increase in loss was mainly due to mark-to-market loss of RM17.5 million in the Group's long term marketable securities.

The Group's investment in marketable securities decreased by RM58.8 million or 41% to RM84.1 million as compared to RM142.9 million in the previous year-to-date ended 31 December 2021, which was mainly due to fair value loss on the quoted securities.

Total trade and other payables increased by RM14.8 million over the same period to RM33.3 million as at 31 December 2022, which was mainly due to the increase in payables of RM6.7 million and deposit received of RM14.7 million for the glove business.

Performance of the respective operating business segments for the period ending 31 December 2022 as compared to the previous corresponding period is analysed as follows:-

	Year-To-Date Ended			%
	31.12.2022	31.12.2021	Changes	
(Loss)/Profit Before Tax by Segments	RM'000	RM'000	RM'000	
Portfolio investment	(17,744)	(14,773)	(2,971)	(20.1)
Biotechnology products	(232)	1,602	(1,834)	(114.5)
Financial services	65	(6)	71	1183.3
Glove business	(1,891)	(889)	(1,002)	(112.7)

Portfolio investment

Loss before tax increased by RM3 million to RM17.7 million which was mainly due to the fair value loss of RM17.5 million as compared to RM14.1 million for the previous year-to-date ended 31 December 2021.

Biotechnology product

Loss before tax increased by RM1.8 million to RM0.2 million which was mainly due to the decrease in revenue of RM1.6 million and increase in operating expenses of RM0.2 million.

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

B1 Performance review (Cont'd)

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

Financial services

Profit before tax increased by 1.2x to RM 0.01 million which was mainly due to the interest income was generated in the current reporting period.

Glove business

Loss before tax increased by 1x to RM1.9 million. This was mainly due to the increase in operating expenses of RM1 million.

B2 Variation of results against immediate preceding quarter

	<u>Current quarter</u>	<u>Preceding quarter</u>	Changes
	31.12.2022	30.09.2022	
	RM'000	RM'000	%
Revenue	1,083	724	49.6
Profit/(Loss) before taxation	6,634	(27,957)	123.7

The Group registered a revenue of RM1 million for the current quarter ended 31 December 2022, representing an increase of RM0.4 million or 49% higher as compared to RM0.7 million for the immediate preceding quarter ended 30 September 2022. The increase in revenue was mainly due to higher sales quantum of gloves in the current quarter.

The Group incurred a profit before taxation of RM6.7 million for the second quarter ended 31 December 2022 as compared to a loss before tax of RM28 million in the immediate preceding quarter ended 30 September 2022. The increase in profit before taxation was mainly due to the fair value gain recorded in the current quarter of RM9.3 million, as opposed to the fair value loss of RM26.8 in the immediate preceding quarter.

B3 Prospects

For 2023, the Malaysian economy is expected to expand at a more moderate pace amid a challenging external environment. Domestic demand will continue to drive growth, supported by the continued recovery in the labour market and the realisation of multi-year investment projects. The services and manufacturing sectors will also continue to support growth. Meanwhile, the slowdown in exports following weaker global demand would be partially cushioned by higher tourism activity. The balance of risks remains tilted to the downside, mainly from weaker global growth, tighter financial conditions, re-escalation of geopolitical conflicts and worsening supply chain disruptions.

Headline and core inflation are expected to moderate but remain elevated in 2023 amid lingering cost and demand pressures. Core inflation is expected to remain elevated in the near term, in part due to the low base in the first half of 2022. Existing price controls and fuel subsidies, and the remaining spare capacity in the economy, will continue to partly contain the extent of upward pressures to inflation. The inflation outlook remains highly subject to any changes to domestic policy, as well as global commodity price developments.

As the Group's performance is principally driven by its investments in marketable securities which is principally represented by its listed incubatees, these results will consequently be subjected to unpredictable market forces. Despite the challenging economic scene, the Group adopted a cautious yet prudent approach and is optimistic that the performance of its incubatees will improve once the market rebounds. To strategize the business initiative under the current market situations, the management is still actively examining several potential investments including the non-marketable securities, aiming to mitigate the downside risks and to provide a more levelled rate of return to shareholders.

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 Fourth Quarter of 2022 article issued by Bank Negara Malaysia on 10 February 2023

2) Global Gloves Market – Industry Trends and Forecast to 2029 article issued by databridgemarketresearch.com in October 2022

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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

During the financial quarter ended 31 December 2022, the Group provided a provision for taxation as follows:-

	Quarter Ended		Year-To-Date Ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Income tax - Current provision	9	-	17	-

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	
	31.12.2022	31.12.2021
	RM'000	RM'000
Trade receivables	15,824	21,274
Less: Allowance for impairment loss	-	-
	<u>15,824</u>	<u>21,274</u>

The ageing analysis of the Group's trade receivables to non-related parties as at 31 December 2022 is as follows:

	As at	
	31.12.2022	31.12.2021
	RM'000	RM'000
Neither past due nor impaired	15,080	19,084
Past due not impaired:		
30 days	251	-
31 - 60 days	48	2,190
61 - 90 days	21	-
91 - 180 days	21	-
> 181 days	3,221	-
Impaired	(2,818)	-
Gross trade receivables	<u>15,824</u>	<u>21,274</u>
Less: Allowance for impairment loss	-	-
	<u>15,824</u>	<u>21,274</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.

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B9 Dividends

There were no dividends declared for the financial quarter ended 31 December 2022.

B10 Earnings per share ("EPS")

a) Basic EPS

	Quarter Ended		Year-To-Date Ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Profit/(Loss) attributable to the owners of the Company (RM'000)	6,780	(42,353)	(21,059)	(18,763)
Basic EPS (sen)	0.14	(1.02)	(0.39)	(0.38)

b) Diluted EPS

	Quarter Ended		Year-To-Date Ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Profit/(Loss) attributable to the owners of the Company (RM'000)	6,780	(42,353)	(21,059)	(18,763)
Weighted average number of ordinary shares in issue ('000)	4,727,196	4,161,000	5,409,913	4,923,782
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
Effective of dilution from detachable warrants C ('000)	1,146,127	1,146,127	1,146,127	1,146,127
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	6,267,724	5,817,971	6,950,441	6,580,753
Diluted EPS (sen)	0.11	(0.73)	(0.30)	(0.29)

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 31 December 2022.

B12 Status of Utilisation of Proceeds

a) Status of utilisation of proceeds as at 31 December 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	-	(4,968)	32	By 14 Jan 2024
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>(18,268)</u>	<u>32</u>	

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B12 Status of Utilisation of Proceeds

b) Status of utilisation of proceeds as at 31 December 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 2023
ii) Capital expenditure for the Gloves Business	83,176	(18,670)	(39,491)	25,015	By 27 Dec 2023
iii) Working capital for the Gloves Business	15,498	5,013	(15,851)	4,660	By 27 Dec 2023
iv) Estimated expenses for the Corporate Exercises	711	(13)	(698)	-	Immediate
	<u>114,617</u>	<u>-</u>	<u>(77,133)</u>	<u>37,484</u>	

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

	Quarter Ended		Year-to-Date Ended	
	31.12.2022 RM'000	31.12.2021 RM'000	31.12.2022 RM'000	31.12.2021 RM'000
Total Comprehensive Profit/(Loss)	6,634	(42,368)	(21,323)	(18,796)
Non-Cash items:				
Interest expenses	-	30	-	60
Interest expense on lease liability	6	-	13	-
Depreciation of property, plant and equipment	191	80	383	159
Depreciation of right-of-use asset	75	34	158	68
Loss on unrealised foreign exchange	1,064	88	102	68
(Gain)/Loss on change in fairvalue	(9,298)	38,522	17,523	14,126
Share-based payment reserve	-	1,730	-	3,183
	<u>(7,962)</u>	<u>40,484</u>	<u>18,179</u>	<u>17,664</u>
Total Comprehensive (loss)/profit before non-cash items	<u>(1,328)</u>	<u>(1,884)</u>	<u>(3,144)</u>	<u>(1,132)</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