



FINTEC GLOBAL BERHAD

(Company No. 200701016619 (774628-U))

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 1ST QUARTER AND PERIOD ENDED 30 SEPTEMBER 2024**

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE 1ST QUARTER AND PERIOD ENDED 30 SEPTEMBER 2024**

	QUARTER ENDED			YEAR-TO-DATE		
	30.09.2024 RM'000	30.09.2023 RM'000	Changes %	30.09.2024 RM'000	30.09.2023 RM'000	Changes %
Revenue	713	2,564	(72.2)	713	2,564	(72.2)
Cost of Sales	(151)	(1,736)	91.3	(151)	(1,736)	91.3
Gross profit	562	828	(32.1)	562	828	32.1
Other operating income / (expenses)	(3,718)	571	751.1	(3,718)	571	751.1
Administrative expenses	(2,729)	(2,653)	(2.9)	(2,729)	(2,653)	(2.9)
Fair value (loss)/gain on investment securities	(1,157)	35,819	103.2	(1,157)	35,819	103.2
Finance cost	(190)	(1)	(18,900)	(190)	(1)	(18,900)
(Loss)/Profit before tax	(7,232)	34,564	120.9	(7,232)	34,564	120.9
Tax expenses	-	-	-	-	-	-
Net (Loss)/Profit for the financial period	(7,232)	34,564	120.9	(7,232)	34,564	120.9
Currency translation differences	(571)	31	(1,941.9)	(571)	31	(1,941.9)
Total comprehensive (loss)/profit for the period	(7,803)	34,595	122.6	(7,803)	34,595	122.6
Net (loss)/profit attributable to:						
Owners of the Company	(7,159)	34,709	120.6	(7,159)	34,709	120.6
Non-controlling interest	(73)	(145)	49.7	(73)	(145)	49.7
	(7,232)	34,564	120.9	(7,232)	34,564	120.9
Total comprehensive (loss)/profit for the financial period attributable to:						
Owners of the Company	(7,730)	34,740	122.3	(7,730)	34,740	122.3
Non-controlling interest	(73)	(145)	49.7	(73)	(145)	49.7
	(7,803)	34,595	122.6	(7,803)	34,595	122.6
(Loss)/Earning per share attributable to the owners of the Company:						
- Basic (sen per share)	(3.61)	0.59		(3.61)	0.59	
- Diluted (sen per share)	(3.49)	0.47		(3.49)	0.47	

Notes:

The above unaudited condensed consolidated statements of comprehensive income is to be read in conjunction with the audited consolidated financial statements for the financial year ended 30 June 2024 and the accompanying explanatory notes attached to these interim financial statements.

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2024

	Unaudited As At 30.09.2024 RM'000	Audited As At 30.06.2024 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	69,469	70,184
Right-of-use asset	1,121	1,202
Investment in unquoted shares	977	977
Marketable securities	103,885	101,161
	<u>175,452</u>	<u>173,524</u>
Current Assets		
Inventories	43	17
Trade receivables	10,022	852
Non-trade receivables, deposits and prepayment	22,951	32,280
Marketable securities	21,930	21,784
Current tax assets	63	63
Cash and bank Balances	13,376	12,305
	<u>68,385</u>	<u>67,301</u>
TOTAL ASSETS	243,837	240,825
EQUITY AND LIABILITIES		
Share Capital	406,408	405,033
ICPS	16,152	16,432
Reserves	(299)	272
Accumulated losses	(190,730)	(183,571)
Equity attributable to owners of the Company	<u>231,531</u>	<u>238,166</u>
Non-controlling Interest	(3,402)	(3,329)
TOTAL EQUITY	<u>228,129</u>	<u>234,837</u>
Non-current Liabilities		
Lease Liabilities	911	911
Redeemable Preference Shares	10,000	-
	<u>10,911</u>	<u>911</u>
Current Liabilities		
Trade payables	2,631	2,798
Payables and Accruals	1,943	1,984
Lease Liabilities	223	295
	<u>4,797</u>	<u>5,077</u>
TOTAL LIABILITIES	<u>15,708</u>	<u>5,988</u>
TOTAL EQUITIES AND LIABILITIES	243,837	240,825
Net Assets per share attributable to equity holders of the Company (RM)	1.14	1.20

Notes:

The above unaudited condensed consolidated statement of financial position is to be read in conjunction with the audited consolidated financial statements for the financial year ended 30 June 2024 and the accompanying explanatory notes attached to these interim financial statements.

Fintec Global Berhad

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR YEAR TODATE ENDED 30 SEPTEMBER 2024

	←——— ATTRIBUTABLE TO OWNERS OF THE PARENT ———→							
	←——— NON - DISTRIBUTABLE ———→			DISTRIBUTABLE				
	Share Capital RM'000	ICPS RM'000	Warrant Reserve RM'000	Translation Reserve RM'000	Accumulated Lossess RM'000	Total RM'000	Non-controlling Interest RM'000	Total Equity RM'000
<u>Audited</u>								
Balance as at 1 July 2023	368,725	17,833	35,240	214	(207,785)	214,227.0000	(2,631)	211,596
Transactions with owners of the Company:								
Conversion of ICPS to ordinary shares	1,401	(1,401)	-	-	-	-	-	-
Conversion of Warrant C	0	-	(0)	-	-	-	-	-
Warrant Reserve adjustment for Warrant A & C	34,907	-	(35,240)	-	333	-	-	-
Total transaction with owners	36,308	(1,401)	(35,240)	-	333	-	-	-
Profit after taxation	-	-	-	-	23,881	23,881	(698)	23,183
Foreign Currency translation reserve	-	-	-	58	-	58	-	58
Total Comprehensive profit for the period	-	-	-	58	23,881	23,939	(698)	23,241
Balance as at 30 June 2024	405,033	16,432	-	272	(183,571)	238,166	(3,329)	234,837
<u>Unaudited</u>								
Balance as at 1 July 2024	405,033	16,432	-	272	(183,571)	238,166	(3,329)	234,837
Transactions with owners of the Company:								
Issuance of ordinary shares pursuant to ESOS	1,034	-	-	-	-	1,034	-	1,034
Conversion of ICPS to ordinary shares	280	(280)	-	-	-	-	-	-
Share based payment	61	-	-	-	-	61	-	61
Total transaction with owners	1,375	(280)	-	-	-	1,095	-	1,095
Loss after taxation	-	-	-	-	(7,159)	(7,159)	(73)	(7,232)
Foreign Currency translation reserve	-	-	-	(571)	-	(571)	-	(571)
Total Comprehensive loss for the period	-	-	-	(571)	(7,159)	(7,730)	(73)	(7,803)
Balance as at 30 September 2024	406,408	16,152	-	(299)	(190,730)	231,531	(3,402)	228,129

The above unaudited condensed consolidated statement of changes in equity is to be read in conjunction with the audited consolidated financial statements for the financial year ended 30 June 2024 and the accompanying explanatory notes attached to these interim financial statements.

Fintec Global Berhad
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2024**

	Year-to-date Ended	
	30.09.2024	30.09.2023
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / Profit before tax	(7,232)	34,564
Adjustment for:		
Depreciation of property, plant and equipment	718	752
Depreciation of right use of assets	81	34
Fair value loss/(gain) on marketable securities	1,157	(35,819)
(Gain)/loss on short term investment	-	(107)
Loss/(Gain) on foreign exchange - unrealised	3,666	(149)
Impairment/(Reversal) on:		
- trade receivables	(1)	(307)
Interest expense	190	1
Interest income	(266)	(25)
Share-based payment expenses	61	-
Operating loss before working capital changes	<u>(1,626)</u>	<u>(1,056)</u>
Purchase of marketable securities	(4,071)	(701)
(Increase) / decrease in inventories	(28)	92
(Increase) / decrease in receivables	(2,898)	(2,393)
Increase / (Decrease) in payables	<u>(425)</u>	<u>(3,371)</u>
Cash used in operations	(9,048)	(7,429)
Interest received	314	-
Tax refunded / (paid)	-	302
Net Cash used in operating activities	<u>(8,733)</u>	<u>(7,127)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(9)	(14)
Withdrawal of short term investment	-	4,209
Net cash (used in) / generated from investing activities	<u>(9)</u>	<u>4,195</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares under exercised of ESOS/SIS	1,034	-
Proceeds from issuance of redeemable preference share	10,000	-
Repayment of lease liabilities	(72)	(38)
Interest paid	(20)	(1)
Net cash generated from / (used in) financing activities	<u>10,942</u>	<u>(39)</u>
Net increase / (decrease) in cash and cash equivalents	2,200	(2,971)
Cash and cash equivalents at the beginning of the period	12,305	14,406
Effect of exchange rate changes	(1,129)	48
Cash and cash equivalents at the end of the period	<u>13,376</u>	<u>11,483</u>
Cash and cash equivalents comprise:		
Cash and bank balances	<u>13,376</u>	<u>11,483</u>
	<u>13,376</u>	<u>11,483</u>

Notes:

The above unaudited condensed consolidated statements of cash flow is to be read in conjunction with the audited consolidated financial statements for the financial year ended 30 June 2024 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 2024. 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 2024.

The accounting policies and methods of computation adopted by the Group in this interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2024 except for the adoption of the following standards that have been issued as at the reporting date: -

MFRSs, Interpretation and amendments effective for annual periods beginning on or after 1 January 2024

- Amendments to MFRS 16 – Lease liability in a sale and leaseback
- Amendments to MFRS 101 – Presentation of Financial Statements - Non-current liabilities with covenants and Classification of Liabilities as Current or Non-current
- Amendments to MFRS 107 and MFRS 7 – Supplier finance arrangements

The adoption of the above pronouncements did not have material impact on the financial statements of the Group.

The following MFRS and Amendments to MFRS have been issued by MASB but are not yet effective to the Group:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121 – The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9 and MFRS 7 – Classification and Measurement of Financial Instruments
- Amendments to MFRS 1 – First-time adoption of Malaysian Financial Reporting Standards – Hedge Accounting by A First-time Adopter
- Amendments to MFRS 7 – Financial Instruments Disclosures – Gain or Loss on Derecognition
- Amendments to MFRS 9 – Financial Instruments Disclosures – Derecognition of Lease Liabilities and Transaction Price
- Amendments to MFRS 10 – Consolidated Financial Statements – Determination of a “De Facto Agent”
- Amendments to MFRS 107 – Statement of Cash Flows – Cost Method

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2027

- Amendments to MFRS 18 – Presentation and Disclosure in Financial Statements
- Amendments to MFRS 19 – Subsidiaries without Public Accountability, Disclosure

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

Amendments to MFRS 10 and MFRS 128 - Consolidated Financial Statements Amendments and 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.

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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

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 2024.

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 ended 30 September 2024.

A5 Material changes in estimates

There were no changes in estimates that have a material effect in the current financial quarter and financial period ended 30 September 2024.

A6 Debt and equity securities

Save as disclosed in the following, there were no issuance, cancellations, repurchases, resale and repayment of debt and equity securities, share buy backs, share cancellation, shares held as treasury share and resale of treasury shares during the current financial quarter and financial period ended 30 September 2024.

(A) Equity securities in Fintec Global Bhd

	Quarter Ended 30.09.2024		Year-to-date Ended 30.09.2024	
	No. of shares	RM'000	No. of shares	RM'000
Issuance of new shares pursuant to conversion of ICPS	84,800	280	84,800	280
Issuance of new shares pursuant to exercise of ESOS	5,301,000	1,034	5,301,000	1,034

(B) Fintec Capital Sdn Bhd, a wholly owned subsidiary has entered into Redeemable Non-convertible Preference Shares Subscription Agreement with third parties on 28 June 2024 for allotment of RM10 million Redeemable Non-convertible Preference Shares at an issue price of RM1.00 each. The 10 million Redeemable Non-convertible Preference Shares were issued on 31 July 2024.

A7 Dividend paid

There were no dividends paid by the Group during the financial quarter and financial period ended 30 September 2024.

A8 Valuation of property, plant and equipment

There was no valuation of the property, plant and equipment during the current financial quarter and financial period ended 30 September 2024.

A9 Material events subsequent to the end of the quarter

There were no material events occurring subsequent to the end of the current quarter.

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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

A10 Changes in the composition of the Group

There were no changes in the composition of the Group during the current financial quarter and financial period ended 30 September 2024.

A11 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.

A12 Capital commitments

There were no material capital commitments as at 30 September 2024.

A13 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 Period Ended 30 September 2024

	Technology incubation RM'000	Portfolio Investment RM'000	Biotechnology Products RM'000	Financial Services RM'000	Glove business RM'000	Elimination RM'000	Total RM'000
Revenue							
Sales to external customers	-	100	-	565	48	-	713
Results							
Segment results	(626)	(5,132)	(66)	162	(1,380)	-	(7,042)
Interest expenses	(20)	-	-	(170)	-	-	(190)
Loss before taxation	(646)	(5,132)	(66)	(8)	(1,380)	-	(7,232)
Income tax expense	-	-	-	-	-	-	-
Loss for the period	(646)	(5,132)	(66)	(8)	(1,380)	-	(7,232)
Assets							
Segment assets	7,108	156,521	72	10,439	69,697	-	243,837
Total assets	7,108	156,521	72	10,439	69,697	-	243,837
Liabilities							
Segment liabilities	1,264	104	243	11,106	2,991	-	15,708
Total liabilities	1,264	104	243	11,106	2,991	-	15,708

A14 Related party transactions

During the financial period ended 30 September 2024, 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.

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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

A15 Additional Disclosure Requirements to the Statements of Comprehensive Income

	Quarter Ended		Year-to-date Ended	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
Interest income	(266)	(25)	(266)	(25)
Fair value (gain)/loss on short term investment	-	(107)	-	(107)
Interest expense	190	1	190	1
Depreciation and amortisation	718	752	718	752
Depreciation of right-of-use asset	81	34	81	34
Reversal on impairment on trade and other	(1)	(307)	(1)	(307)
Fair value loss/(gain) on marketable securities	1,157	(35,819)	1,157	(35,819)
Unrealised foreign exchange loss/(gain)	3,666	(149)	3,666	(149)
Share-based payment	61	-	61	-

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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

	Quarter Ended			
	30.09.2024	30.09.2023	Changes	
Key Profit or Loss items:	RM'000	RM'000	RM'000	%
Revenue	713	2,564	(1,851)	(72.2)
Gross Profit	562	828	(266)	32.1
(Loss) / Profit before tax	(7,232)	34,564	(41,796)	120.9
Net (loss) / profit attributable to equity holders	(7,159)	34,709	(41,868)	120.6

The Group registered a revenue of RM0.71 million for current quarter ended 30 September 2024, decreased by RM1.85 million as compared to RM2.56 million in previous year's corresponding quarter ended 30 September 2023. The decrease in revenue was mainly due to decreased transactions in sales of the marketable securities by RM2.07 million. There was an increase in revenue in financial services segment due to disbursement of new loans of RM10 million during current quarter. The two (2) main revenue contributors in current quarter were the financial services segment (79%) and portfolio investment segment (14%).

The Group reported a loss before tax of RM7.23 million and a net loss attributable to equity holders of RM7.16 million respectively in the current quarter. Higher losses compared to profit before tax of RM34.56 million and net profit attributable to equity holders of RM34.71 million in previous year's corresponding quarter, were mainly due to the followings:

- i) Mark-to-market loss of the marketable securities of RM1.16 million in current quarter as opposed to mark-to-market profit of RM35.82 million in previous year's corresponding quarter.
- ii) Loss on unrealized foreign exchange of RM3.67 million in current quarter against gain on unrealized foreign exchange of RM0.15 mil, due to weakening of USD.

Performance of the respective operating business segments for the quarter ended 30 September 2024 as compared to the previous year's corresponding quarter is analysed as follows:-

	Quarter Ended			
	30.09.2024	30.09.2023	Changes	
Revenue by Segments	RM'000	RM'000	RM'000	%
Portfolio investment	100	2,168	(2,068)	(95.4)
Biotechnology products	-	317	(317)	(100.0)
Financial services	565	25	540	2,160.0
Glove business	48	54	(6)	(11.1)
Profit/(Loss) Before Tax by Segments				
Portfolio investment	(5,132)	36,503	(41,635)	(114.1)
Biotechnology products	(66)	(183)	117	63.9
Financial services	(8)	264	(272)	(103.0)
Glove business	(1,380)	(1,400)	20	1.4

Portfolio investment

The revenue in this segment derived from sales transactions of marketable securities. The profit or loss of this segment is affected by the gain or loss of fair value of marketable securities held at the end of quarter. This segment reported a loss before tax of RM5.13 million in current quarter, higher loss as compared to profit before tax of RM36.50 million in previous year's corresponding quarter, mainly due to mark-to-market loss of the marketable securities of RM1.16 million and unrealized foreign exchange loss of RM3.67 million in current quarter as opposed to mark-to-market profit of RM35.82 million and unrealized foreign exchange gain of RM0.15 mil in previous year's corresponding quarter, due to weakening of USD.

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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)

a) Current Quarter vs Previous Year Corresponding Quarter

Biotechnology products

This segment reported loss before tax of RM0.07 million in current quarter, compared to RM0.18 million in previous year's corresponding quarter. This business segment has ceased its operation after taking into account its future prospect and potential. The loss in current quarter of RM0.07 million mainly contributed to factory maintenance and administrative expense of the segment.

Financial services

This segment reported a higher revenue of RM0.57 million compared to RM0.03 million in previous year's corresponding quarter mainly due to disbursement of new loans of RM10 million during current quarter. This segment reported a loss before tax of RM8k in current quarter, compared to profit before tax of RM0.26 million in previous year's corresponding quarter, mainly due to reversal of impairment loss on trade receivable of RM0.31 million in previous year's corresponding quarter, which is none in current quarter.

Glove business

This segment reported a revenue of RM0.05 million and loss before tax of RM1.38 million in current quarter, which is consistent with revenue of RM0.05 million and loss before tax of RM1.40 million in previous year's corresponding quarter.

In summary, while each business segment faced its unique challenges, the overall performance demonstrates resilience and adaptability. The biotechnology segment's strategic cessation has mitigated further losses, the financial services segment shows promising revenue growth despite a temporary dip in profitability, and the glove business segment maintains steady performance amidst ongoing market pressures. These outcomes underscore the company's commitment to strategic decision-making and operational efficiency, positioning us for continued improvement and success in the coming quarters.

b) Balance Sheet - Current Year-to-date vs. Previous Year-end

	As at		Changes	
	30.09.2024	30.06.2024	RM'000	%
Key Balance Sheet Items:	RM'000	RM'000	RM'000	%
Property, Plant and equipment	69,469	70,184	(715)	(1.0)
Marketable securities:				
- Non Current	103,885	101,161	2,724	2.7
- Current	21,930	21,784	146	0.7
	<u>125,815</u>	<u>122,945</u>	<u>2,870</u>	<u>2.3</u>
Cash and cash equivalents	13,376	12,305	1,071	8.7
Total Assets	243,837	240,825	3,012	1.3
Total Liabilities	15,708	5,988	9,720	162.3

The Group's Total Assets increased by RM3.01 million mainly due to additional quoted securities purchased during current quarter. The decrease in property, plant and equipment is due to depreciation of RM0.72 million in current quarter.

Total Group's Total Liabilities mainly consists of payables and accruals. It increased by RM9.72 million mainly due to issuance of redeemable non-convertible preference shares of RM10 million in Fintec Capital Sdn. Bhd, financial services segment for financing the disbursement of new loans.

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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

B2 Variation of results against immediate preceding quarter

	Current Quarter	Preceding Quarter	Changes	
	30.09.2024	30.06.2024	RM'000	%
Revenue	713	3,486	(2,773)	(79.5)
Loss before tax	(7,232)	14,283	(21,515)	150.6

The Group registered a revenue of RM0.71 million for current quarter ended 30 September 2024, representing a decrease of RM2.77 million or 79.5% as compared to RM3.49 million in preceding quarter ended 30 June 2024. The decrease in revenue was mainly due to lower sales of marketable securities in portfolio investment segment, offset with increase in revenue in financial services segment. Financial service segment has higher revenue due to disbursement of new loans of RM10 million during current quarter.

The Group reported a loss before taxation of RM7.23 million for the current quarter ended 30 September 2024, higher loss as compared to profit before tax of RM14.28 million in the preceding quarter ended 30 June 2024. The higher loss was mainly due to Mark-to-market loss of the marketable securities of RM1.16 million in current quarter as opposed to mark-to-market profit of RM15.65 million in previous quarter, and higher unrealized foreign exchange loss of RM3.67 million in current quarter against RM0.18 mil in previous quarter, due to weakening of USD.

B3 Prospects

The Malaysian economy expanded by 5.3% in the third quarter of 2024 (2Q 2024: 5.9%), driven by strong investment activity and continued improvement in exports. Investment activity was fueled by robust spending on structures, machinery, and equipment (M&E), while household spending remained resilient, supported by favorable labor market conditions and policy incentives. Exports experienced a boost due to recovering global demand and positive spillovers from the global tech upcycle. Meanwhile, imports grew at a faster pace, reflecting higher demand for capital and intermediate goods to support expanding investments and trade.

In the third quarter of 2024, both headline and core inflation remained stable at 1.9%. The ringgit appreciated significantly by 14.9% against the US dollar, attributed to the shift towards a monetary policy easing stance by the US Federal Reserve, which has alleviated pressure on regional currencies, including the ringgit. Year-to-date, the ringgit has appreciated by 3.1% (as at 13 November 2024). Moving forward, movements in the ringgit will continue to be influenced by external developments. Nevertheless, Malaysia's favorable macroeconomic outlook and ongoing structural reforms are expected to support the ringgit over the medium term.

Bank Negara Malaysia Governor Dato' Seri Abdul Rasheed Ghaffour said, "Going forward, growth of the Malaysian economy will be driven by robust expansion in investment activity, continued improvement in exports, and resilient household spending."

Investment activities will be supported by progress in multi-year projects across private and public sectors. Catalytic initiatives announced in national master plans and higher realization of approved investments are also key drivers for investment activities. These investments, which are supported by higher capital imports, will raise exports and expand productive capacity in the economy. Externally, the continued strong demand for manufactured goods and commodities, and higher tourist spending are expected to lift exports. The growth outlook remains subject to downside risks stemming from slower external demand, further escalation of geopolitical tensions and protectionist measures, as well as weaker-than-expected commodity production..

Source: *Economic and Financial Developments in Malaysia in the Third Quarter of 2024* article issued by Bank Negara Malaysia on 15 Nov 2024

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B3 Prospects (continued)

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 ongoing economic challenges, the Group has adopted a cautious yet strategic approach and remains optimistic that its incubatees will perform better as market conditions recover. Additionally, the Group continues to diversify its investment portfolio by exploring opportunities in sectors that offer collaboration potential and cross-selling synergies. This strategy aims to mitigate downside risks and provide a more stable return for shareholders.

Glove makers, which are expected to face rising labour costs due to increases in minimum wage and foreign workers' levy, are likely to pass these costs on to customers. This is supported by more favorable supply-demand dynamics in the glove sector, attributed to strong demand for Malaysian gloves, following the US tariff hike on gloves imported from China starting in 2025, said CIMB Securities Research.

There are three measures highlighted in Budget 2025 that could negatively affect rubber glove companies. First, the increase in foreign worker levies; second, the RM200 per month rise in minimum wage to RM1,700; and third, the mandatory Employees Provident Fund contribution for foreign workers. As a result, Malaysian glove makers are expected to incur higher production costs, with labor costs comprising 9% to 11% of their total production costs. However, manufacturers can raise their average selling prices (ASPs) to offset these increases, bolstered by higher US tariffs on gloves from China. The United States announced an increase in import tariffs by stages on China's medical and surgical gloves, rising to 50% from January 1, 2025, and 100% by January 1, 2026, up from the current 7.5%. This policy is likely to boost purchase volumes from Malaysian glove manufacturers as the higher tariffs take effect in January next year.

Source: <https://www.thestar.com.my/business/business-news/2024/10/24/glove-makers-to-pass-on-rising-costs-to-customers>

There is still potential for long-term growth in the nitrile glove industrial segment. The Group will cautiously explore new market opportunities in its glove business while continuing to market and increase demand for its Medela gloves.

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 period ended 30 September 2024, the Group provided a provision for taxation as follows:-

	Quarter and Year-to-Date Ended	
	30.09.2024	30.09.2023
	RM'000	RM'000
Income tax - current provision	-	-

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

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B6 Trade receivables

	As at	
	30.09.2024	30.06.2024
	RM'000	RM'000
Trade receivables	10,052	886
Less : Allowance for impairment loss	(30)	(34)
	<u>10,022</u>	<u>852</u>

The ageing analysis of the Group's trade receivables are as follows:

	As at	
	30.09.2024	30.06.2024
	RM'000	RM'000
Neither past due nor impaired:	10,000	826
91 - 180 days	-	26
> 181 days	22	-
Impaired	30	34
Gross trade receivables	<u>10,052</u>	<u>886</u>
Less: Allowance for impairment loss	<u>(30)</u>	<u>(34)</u>
	<u>10,022</u>	<u>852</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, neither the Company nor its subsidiary companies are engaged in any material 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 period ended 30 September 2024.

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B10 Earnings per share ("EPS")

	Quarter Ended		Year-to-date Ended	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
a) Basic EPS				
(Loss)/Profit attributable to the owners of the Company (RM'000)	(7,159)	34,709	(7,159)	34,709
Basic EPS (sen)	(3.61)	0.59	(3.61)	0.59
b) Diluted EPS				
(Loss)/Profit attributable to the owners of the Company (RM'000)	(7,159)	34,709	(7,159)	34,709
Weighted average number of ordinary shares in issue ('000)	198,127	5,923,815	198,127	5,923,815
Effective of dilution from conversion of ICPS ('000)	6,730	222,908	6,730	222,908
Effective of dilution from detachable warrants A ('000)	-	170,093	-	170,093
Effective of dilution from detachable warrants C ('000)	-	1,146,127	-	1,146,127
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	204,857	7,462,943	204,857	7,462,943
Diluted EPS (sen)	(3.49)	0.47	(3.49)	0.47

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 into ordinary shares.

B11 Status of corporate proposals

There were no significant corporate proposals for the financial period ended 30 September 2024.

B12 Status of Utilisation of Proceeds

a) Status of utilisation of proceeds as at 30 September 2024, pursuant to the Right Issue With Warrant.

	Proposed Utilisation	Reallocation	Actual Utilisation	Unutilised proceeds	Timeframe for the utilisation of proceeds
	RM'000	RM'000	RM'000	RM'000	
Construction of factory building for the Gloves Business	15,232	10,159	(25,391)	-	By 27 Dec 2023
Capital expenditure for the Gloves Business	83,176	(27,870)	(52,239)	3,067	By 27 Dec 2024
Working capital for Gloves Business	15,498	(687)	(14,204)	607	By 27 Dec 2024
Corporate Exercises expenses	711	(13)	(698)	-	Immediate
Working capital for the Group	-	18,411	(14,557)	3,854	By 27 Dec 2024
	114,617	-	(107,089)	7,528	

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

	Quarter Ended		Year-to-date Ended	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
Total Comprehensive profit/(loss) for the period	(7,803)	34,595	(7,803)	34,595
Non-Cash items:				
Depreciation of property, plant and equipment	718	752	718	752
Depreciation of right-of-use asset	81	34	81	34
Unrealised foreign exchange loss/(gain)	3,666	(149)	3,666	(149)
Fair value loss/(gain) on marketable securities	1,157	(35,819)	1,157	(35,819)
Reversal on impairment loss on receivables	(1)	(307)	(1)	(307)
Share-based payment expenses	61	-	61	-
	5,682	(35,489)	5,682	(35,489)
Total Comprehensive loss before non-cash items	(2,121)	(894)	(2,121)	(894)

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