

AsiaFIN Investor Webinar Q1 2025 Earnings Transcript

15 May 2025

FNK IR: Good morning and good afternoon. My name is Tom Baumann of FNK IR, AsiaFIN's newly appointed investor relations firm. I would like to welcome everyone to AsiaFIN's first quarter 2025 financial results conference call. Hosting the call today are KC Wong, AsiaFIN's Founder and Group CEO and Angel Cham, CFO. Angel lost her voice and will only be participating in the Q&A session.

Before I turn the call over to management, I would like to refer you to slide two of the presentation which contains AsiaFIN's safe harbor disclaimer. During today's call, management may make forward-looking statements. These statements are based on current expectations and assumptions, and as a result, are subject to risks and uncertainties. Many factors cause actual events to differ materially from the forward-looking statements on this call.

After the speaker's remarks, there'll be a question-and-answer session. Please note this call is being recorded and a replay may be accessed via AsiaFIN's website at www.asiafingroup.com.

With all that said, I would like to turn the call over to KC Wong, AsiaFIN's Founder and Group CEO.

AsiaFIN Group CEO KC Wong: Thank you, everybody. Welcome to our first investor call for the year Okay, for Q1 2025. My name is KC Wong. I'm the CEO of AsiaFIN.

On our agenda today, we're going to talk a little bit about AsiaFIN, just a brief update on our business. And then I will be sharing the AsiaFIN results briefly. Since it's quarter one, there's not much results to share and then I will talk a little bit about our expansion plan.

Okay, we have always been a truly Asian company, AsiaFIN. We are currently traded on the US market with the symbol ASFH on the OTCQB venture market. Our offices are in Malaysia, Hong Kong, Thailand, and soon we are moving beyond Asia as we expand our business in Asia and then to the rest of the world.

So, in terms of our product, we have four streams of product in terms of FinTech. We are very strong in terms of our check clearing product. And this is the one that is present in actually nine countries today. We also do payments like Zelle and Venmo in the U.S and you know those are the QR payments processing in Asia. Okay, as well as cross-border payments and local payments. RegTech, we have grown this year to cover e-invoicing for Malaysia. And hopefully we can get some business out in the Middle East for our e-invoicing for our RegTech business. RPA is also expanding into our robotic process automation product. We have also been expanding into the rest of the region.

Okay, currently we are now present in nine growing markets. Our traditional market has been in Malaysia, Singapore, Philippines, Myanmar, Thailand, Indonesia, Pakistan and Bangladesh. But this year we have added Saudi Arabia as our new country. We are now already moving past the 90 banks and 100 corporations for our e-invoicing and our RPA business.

Okay, Angel has lost her voice, so I will share a little bit on the financial results. If any questions that I cannot answer, then she will come back and answer.

Okay in terms of Q1 revenue, we have growth of about 19.5% versus last year, Q1 2024. This is largely due to our new e-invoicing business. This does not include our Saudi Arabia business as we have not been able to invoice until now. Okay, so this is only the current business. In Q1, we focused a lot on our renewable business, the SaaS business and the maintenance contract.

In terms of profit, we have shown higher losses this quarter. I hope it's only this quarter. This is mainly due to our investment in our team as we kick start the project in Saudi Arabia. So, resulting in higher cost of goods. As we are a software company, we don't have cost of

goods sold; so, our cost of goods are actually our people, so this has resulted in a short-term negative gross margin.

In terms of cash and cash equivalent, we have maintained almost the same as last year, first quarter. Slightly lower from 1.31 to 1.26. That shows our financial stability, financial control of our cash in spending. Okay, so we maintain the good savings. I think that's all for what you call financial statements. I will give a little bit of plans as we revisit some of our expansion plan. For this year, we have focused slightly differently.

In terms of our ESG reporting business, TellUS report, we have decided to focus on providing consultancy and reporting business in three countries; mainly Malaysia, Indonesia and Philippines. So, we are postponing our expansion into the Middle East until next year. Okay, so that's for our ESG reporting business, so we added in the consulting.

Okay, in terms of robotic process automation business, we are still growing and still expanding into the ASEAN and Nordics region. We are trying to focus our growth this year in the Philippines. We have associated companies there under Insite MY International Inc. which we are focusing to grow this business. Also, in Thailand we have a joint venture company, KSP AsiaFIN.

The rest of ASEAN, we are focusing on cloud-based, the SaaS service. Software-as-a-Service into countries like Cambodia, Indonesia and the rest of ASEAN. We were exploring a little bit on the Nordics market last year. This year, we want to see how we can grow into that Nordics market for our RPA working with the new partners that we have.

Okay, as for the Middle East, as mentioned, we have signed a contract with a large government bank in Saudi Arabia. We cannot disclose the bank because we signed a strict NDA. So, we will be able to report some revenue this year, this quarter.

Okay, we are also trying to grow to all the other banks. Our focus will be on our check clearing product, our INCHEQS. We are also looking into expanding our regulatory

products, our RegTech, INReport into the Middle East as you know, we are working on some opportunities there too.

For the US, we have already graduated as QUAY Acceleration Alumni in New York City. We plan to explore what else we can do using AI check clearing the same way that we expanded in Saudi Arabia, we hope to be able to for check clearing.

AsiaFIN Group CEO KC Wong: Thank you everyone for attending this call. We shall be doing the next call again to report the second quarter. And hope to give more good news. Thank you everyone for attending.