



**Harvest Miracle Capital Berhad**

# **HARVEST MIRACLE CAPITAL BERHAD**

**(Formerly Known as Vortex Consolidated Berhad)**

**[Company No. 199601010679 (383028-D)]  
(Incorporated in Malaysia)**

**Year 2023**

**Quarterly Announcement  
For The Quarter Ended 30 September 2022**

**HARVEST MIRACLE CAPITAL BERHAD**  
**(Formerly Known As Vortex Consolidated Berhad)**  
**[Company No. 199601010679 (383028-D)]**  
**(Incorporated in Malaysia)**

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2022**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To- date	Preceding Year Corresponding Period
	30 September 2022 (Unaudited) RM'000	30 September 2021 (Unaudited) RM'000	30 September 2022 (Unaudited) RM'000	30 September 2021 (Unaudited) RM'000
Revenue	35,114	47,323	71,989	89,659
Cost of sales	(31,552)	(41,706)	(64,135)	(78,346)
<b>Gross profit</b>	<u>3,562</u>	<u>5,617</u>	<u>7,854</u>	<u>11,313</u>
Other income	19	293	182	366
	<u>3,581</u>	<u>5,910</u>	<u>8,036</u>	<u>11,679</u>
Operating expenses	(4,730)	(4,686)	(9,548)	(9,534)
Finance costs	(59)	(879)	(129)	(2,214)
<b>(Loss)/Profit before taxation</b>	<u>(1,208)</u>	<u>345</u>	<u>(1,641)</u>	<u>(69)</u>
Tax expense	(7)	(350)	(68)	(670)
<b>Loss after taxation/ Total comprehensive expenses</b>	<u>(1,215)</u>	<u>(5)</u>	<u>(1,709)</u>	<u>(739)</u>
<b>Loss after taxation attributable to:-</b>				
Owners of the Company	(1,212)	1	(1,707)	(733)
Non-controlling interests	(3)	(6)	(2)	(6)
	<u>(1,215)</u>	<u>(5)</u>	<u>(1,709)</u>	<u>(739)</u>
<b>Total comprehensive expenses attributable to:-</b>				
Owners of the Company	(1,212)	1	(1,707)	(733)
Non-controlling interests	(3)	(6)	(2)	(6)
	<u>(1,215)</u>	<u>(5)</u>	<u>(1,709)</u>	<u>(739)</u>
<b>Loss per share LPS (in sen)</b>				
Basic LPS	(0.11)	#	(0.15)	(0.12)
Diluted LPS	(0.11)	#	(0.15)	(0.12)

# - EPS less than 0.01 sen

(The Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2022 and the accompanying explanatory notes attached to the interim financial statements.)

**HARVEST MIRACLE CAPITAL BERHAD**  
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**[Company No. 199601010679 (383028-D)]**  
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**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2022**

	<b>(UNAUDITED)</b>	<b>(AUDITED)</b>
	<b>As at</b>	<b>As at</b>
	<b>30 September 2022</b>	<b>31 March 2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property and equipment	8,484	8,529
Investment properties	8,389	10,638
Right-of-use assets	32,568	35,690
Land held for property development	11,434	11,366
Other investment	-	-
Goodwill on consolidation	5,774	5,774
	<b>66,649</b>	<b>71,997</b>
<b>Current Assets</b>		
Inventories	18,774	22,098
Property development costs	160,089	149,059
Trade and other receivables	81,223	64,430
Current tax assets	3,092	2,116
Short-term investments	13,038	43,921
Cash and bank balances	33,208	18,512
Asset classified as held for sale	4,027	-
	<b>313,451</b>	<b>300,136</b>
<b>TOTAL ASSETS</b>	<b>380,100</b>	<b>372,133</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	272,419	261,958
Reserves	8,291	14,526
Equity attributable to owners of the Company	280,710	276,484
Non-controlling interests	527	529
<b>TOTAL EQUITY</b>	<b>281,237</b>	<b>277,013</b>
<b>Non-Current Liabilities</b>		
Lease liabilities	188	1,400
Deferred tax liabilities	5,110	5,131
	<b>5,298</b>	<b>6,531</b>
<b>Current Liabilities</b>		
Trade and other payables	85,895	82,144
Lease liabilities	2,259	2,118
Contract liability	5,404	4,321
Term loans	-	-
Current tax liabilities	7	6
	<b>93,565</b>	<b>88,589</b>
<b>TOTAL LIABILITIES</b>	<b>98,863</b>	<b>95,120</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>380,100</b>	<b>372,133</b>
<b>Net assets per share (sen)</b>	<b>24.77</b>	<b>25.77</b>

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2022 and the accompanying explanatory notes attached to the interim financial statements.)

**HARVEST MIRACLE CAPITAL BERHAD**  
**(Formerly Known As Vortex Consolidated Berhad)**  
**[Company No. 199601010679 (383028-D)]**  
**(Incorporated in Malaysia)**

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW**  
**FOR THE SIX (6) MONTHS ENDED 30 SEPTEMBER 2022**

	(UNAUDITED) CURRENT PERIOD-TO-DATE 6 MONTHS ENDED 30 September 2022 RM'000	(UNAUDITED) CORRESPONDING PERIOD-TO-DATE 6 MONTHS ENDED 30 September 2021 RM'000
<b>CASH FLOW (FOR) / FROM OPERATING ACTIVITIES</b>		
<b>Loss before taxation</b>	(1,641)	(69)
Depreciation of property and equipment	409	450
Depreciation of right-of-use assets	1,264	1,077
Depreciation of investment properties	81	81
Interest expense	-	2,001
Interest expense on lease liabilities	129	212
COVID-19-related rent concession	-	(326)
Interest income	(342)	(459)
Gain on modification of leases	-	(2)
Realisation of fair value arising from the acquisition of a subsidiary	149	106
Operating profit before changes in working capital	49	3,071
Net change in inventories	3,323	1,282
Net change in trade & other receivables	(16,793)	172
Net change in contract liability	1,090	(769)
Net change in trade & other payables	3,693	1,501
Cash flow for operations	(8,638)	5,257
Net income tax paid	(1,064)	(1,318)
Interest received	322	438
<b>Net cash (for) /from operating activities</b>	(9,380)	4,377
<b>CASH FLOW FOR INVESTING ACTIVITIES</b>		
Interest income received	20	21
Purchase of equipment	(363)	(24)
Proceeds from disposal of other investment	-	2,500
Development costs paid	(11,196)	(9,070)
<b>Net cash for investing activities</b>	(11,539)	(6,573)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from exercise of Warrants C	5,933	56,551
Share issuance expenses	-	(949)
Interest paid	-	(667)
Net repayment of lease liabilities	(1,201)	(687)
Repayment of term loans	-	(38,589)
<b>Net cash from financing activities</b>	4,732	15,659
NET CHANGE IN CASH AND CASH EQUIVALENTS	(16,187)	13,463
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	62,433	50,461
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	1 <u>46,246</u>	1 <u>63,924</u>
<b>Note 1</b>		<b>30 September 2022</b>
<b>Cash and Cash Equivalents at End of the Financial Period comprised:</b>		<b>RM'000</b>
Short-term investments		13,038
Cash and bank balances		33,208
		<u>46,246</u>

(The Condensed Consolidated Statements of Cash Flow should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2022 and the accompanying explanatory notes attached to the interim financial statements.)

**HARVEST MIRACLE CAPITAL BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE SIX (6) MONTHS ENDED 30 SEPTEMBER 2022**

	Share Capital RM'000	Irredeemable Convertible Preference Shares ("ICPS") RM'000	Non-Distributable Warrants Reserve RM'000	Distributable Accumulated Losses RM'000	Attributable To Owners of the Company RM'000	Non- Controlling Interests RM'000	Total RM'000
<b>6 months ended 30 September 2021</b>							
Balance as at 1 April 2021	188,775	3,413	6,897	(20,699)	178,386	545	178,931
Contribution by owners of the Company:							
- Rights Issue of Shares with Warrants C	25,468	-	31,083	-	56,551	-	56,551
- Share issuance expenses	(949)	-	-	-	(949)	-	(949)
Total transaction with owners	24,519	-	31,083	-	55,602	-	55,602
Loss after taxation for the 6 months ended 30 September 2021	-	-	-	(733)	(733)	(6)	(739)
Balance as at 30 September 2021	213,294	3,413	37,980	(21,432)	233,255	539	233,794
<b>6 months ended 30 September 2022</b>							
Balance as at 1 April 2022	261,958	3,412	26,183	(15,069)	276,484	529	277,013
Contributions by owners of the Company:							
- Conversion of ICPS	451	(451)	-	-	-	-	-
- Exercise of Warrants C	10,010	-	(4,077)	-	5,933	-	5,933
Total transactions with owners	10,461	(451)	(4,077)	-	5,933	-	5,933
Loss after taxation for the 6 months ended 30 September 2022	-	-	-	(1,707)	(1,707)	(2)	(1,709)
Balance as at 30 September 2022	272,419	2,961	22,106	(16,776)	280,710	527	281,237

**(The Condensed Consolidated Statements of Changes In Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2022 and the accompanying explanatory notes attached to the interim financial statements.)**

# HARVEST MIRACLE CAPITAL BERHAD (“HMCB” or “the Company”)

(Formerly Known as Vortex Consolidated Berhad)

[Company No. 199601010679 (383028-D)]

(Incorporated in Malaysia)

## NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2022

### Part A

#### Explanatory Notes Pursuant To Malaysian Financial Reporting Standards (“MFRS”) 134 Interim Financial Reporting

##### A1. Basis of Preparation

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with MFRS 134 *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board (“MASB”), IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board and Paragraph 9.22 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial statements should be read in conjunction with the audited financial statements of the Company and its subsidiaries (“the Group”) for the financial year ended 31 March 2022. The explanatory notes attached to the condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2022.

##### A2. Changes in Accounting Policies

The significant accounting policies and methods of computation applied in the interim financial statements are consistent with those adopted in the most recent audited financial statements for the financial year ended 31 March 2022 except for the adoption of the following:-

MFRSs and/or IC Interpretations (Including the Consequential Amendments):-

- Amendments to MFRS 3: Reference to Conceptual Framework
- Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to MFRS 137: Onerous Contracts - Cost of Fulfilling a Contract
- Annual Improvements to MFRS Standards 2018 - 2022

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

## **Part A**

### **Explanatory Notes Pursuant To Malaysian Financial Reporting Standards (“MFRS”) 134 Interim Financial Reporting (Cont’d)**

#### **A2. Changes in Accounting Policies (Cont’d)**

The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by MASB but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including the Consequential Amendments):-

- MFRS 17 Insurance Contracts
- Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to MFRS 17: Insurance Contracts
- Amendments to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information
- Amendments to MFRS 101: Classification of Liabilities as Current or Non-current
- Amendments to MFRS 101: Disclosure of Accounting Policies
- Amendments to MFRS 108: Definition of Accounting Estimates
- Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

#### **A3. Auditors’ Report on Preceding Annual Financial Statements**

The auditors’ report on the audited financial statements for the financial year ended 31 March 2022 was not qualified.

#### **A4. Seasonality or Cyclicity of Operations**

The Group’s operations are not materially affected by any seasonal or cyclical factors.

#### **A5. Unusual Items**

There are no unusual items affecting assets, liabilities, equity, net income or cash flows during the current financial period under review that were unusual because of their nature, size or incidence.

#### **A6. Material Changes in Estimates**

There were no material changes in estimates during the current financial period under review.

## Part A

### Explanatory Notes Pursuant To Malaysian Financial Reporting Standards (“MFRS”) 134 Interim Financial Reporting (Cont’d)

#### A7. Issuances, Repurchases, and Repayments of Debt and Equity Securities

Pursuant to the rights issue of 60,988,578 new ordinary shares on the basis of 1 new ordinary share for every 5 existing shares held on the entitlement date, together with 60,988,578 free detachable Warrants B (“Warrant(s) B”) on the basis of 1 Warrant B for every 1 new ordinary share subscribed for (“Rights Issue of Shares with Warrants B”), the Company has issued 60,988,578 new ordinary shares together with 60,988,578 Warrants B. The new ordinary shares and Warrants B have been listed on the ACE Market of Bursa Securities on 15 May 2019.

Pursuant to the rights issue of 914,828,754 new irredeemable convertible preference shares (“ICPS”) on the basis of 3 ICPS for every 1 existing share held on the entitlement date (“Rights Issue of ICPS”), the Company has issued 914,828,754 ICPS. The ICPS have been listed on the ACE Market of Bursa Securities on 15 May 2019.

Following the consolidation of every 4 existing ordinary shares in HMCB (“HMCB Shares”) into 1 HMCB Share which was completed on 4 February 2021, the numbers of ICPS and Warrants B as at the entitlement date of 68,251,151 and 59,053,778, respectively, have been adjusted to 17,062,777 and 14,763,424, respectively, effective from 4 February 2021.

Pursuant to the rights issue of 332,657,376 new HMCB Shares on the basis of 1 new HMCB Share for every 1 existing HMCB Share held on the entitlement date, together with 266,121,872 free detachable Warrants C (“Warrant(s) C”) on the basis of 4 Warrants C for every 5 new HMCB Shares subscribed for (“Rights Issue of Shares with Warrants C”), the Company has issued 332,657,376 new HMCB Shares together with 266,121,872 Warrants C. The new HMCB Shares and Warrants C have been listed on the ACE Market of Bursa Securities on 28 April 2021.

Additional ICPS of 4,238,295 and additional Warrants B of 3,667,077 which were adjusted following the Rights Issue of Shares with Warrants C were listed on the ACE Market of Bursa Securities on 28 April 2021.

During the quarter under review, the following shares have been issued and listed on the ACE Market of Bursa Securities on the following dates as a result of exercise of Warrants C. No Warrants B and conversion of ICPS were exercised during the quarter under review.

<b>Listing Date</b>	<b>No. of shares issued resulting from Exercise of Warrants C</b>
29 July 2022	2,047,800
22 August 2022	2,352,200
13 September 2022	2,500,000
22 September 2022	4,500,000
<b>Total</b>	<b>11,400,000</b>

As at 30 September 2022, the ICPS, Warrants B and Warrants C of the Company was 18,480,374, 18,430,501 and 130,214,972 respectively. The Company does not have any other existing convertible securities.

There were no issuance and repayment of debt and equity securities, share buy-back, share cancellations, shares held as treasury shares and resale of treasury shares during the current financial period under review.

#### A8. Dividends Paid

There were no dividends paid during the current financial period under review.



## **A9. Operating Segments Information**

The Group business segments comprise the following:-

- (i) Information Technology (“IT”) and Information Communication Technology (“ICT”) division - involved in trading in IT and ICT related products (hardware, software and accessories), software development and support services and others (“IT and ICT Division”);
- (ii) Property construction and its related business (“Construction Division”);
- (iii) Investment properties (“Property Investment Division”);
- (iv) Property development (“Property Development Division”);
- (v) Moneylending business (“Moneylending Business Division”);
- (vi) Plantation business (“Plantation Business Division”); and
- (vii) Investment holding (“Investment Holding Division”).

**Part A**

**Explanatory Notes Pursuant To Malaysian Financial Reporting Standards (“MFRS”) 134 Interim Financial Reporting (Cont’d)**

**A9. Operating Segment Information (Cont’d)**

Segmental information is provided based on business segments, as follows:

	IT and ICT Division RM'000	Construction Division RM'000	Property Investment Division RM'000	Property Development Division RM'000	Moneylending Business Division RM'000	Plantation Division RM'000	Investment Holding Division RM'000	The Group RM'000
<b>Current quarter ended</b>								
<b>30 September 2022</b>								
<b>Revenue</b>								
External revenue	33,083	-	70	441	530	779	211	35,114
Inter-segment revenue	-	-	-	-	-	-	-	-
	<u>33,083</u>	<u>-</u>	<u>70</u>	<u>441</u>	<u>530</u>	<u>779</u>	<u>211</u>	<u>35,114</u>
Consolidation adjustment								-
Consolidated revenue								<u>35,114</u>
<b>Results</b>								
Segment results	150	(35)	15	(256)	33	337	(458)	(214)
Interest income	2	-	*-	2	4	-	-	8
Realisation of fair value arising from the acquisition of a subsidiary	-	-	-	(68)	-	-	-	(68)
Depreciation of property and equipment	(101)	-	(2)	(7)	(68)	(9)	(15)	(202)
Depreciation of right-of-use assets	(510)	-	-	-	-	(109)	(13)	(632)
Depreciation of investment properties	-	-	(41)	-	-	-	-	(41)
Interest expense on lease liabilities	(59)	-	-	-	-	-	-	(59)
Consolidated (loss)/profit before taxation	<u>(518)</u>	<u>(35)</u>	<u>(28)</u>	<u>(329)</u>	<u>(31)</u>	<u>219</u>	<u>(486)</u>	<u>(1,208)</u>
Tax expense	-	-	(6)	14	(15)	-	-*	(7)
Consolidated (loss)/profit after taxation	<u>(518)</u>	<u>(35)</u>	<u>(34)</u>	<u>(315)</u>	<u>(46)</u>	<u>219</u>	<u>(486)</u>	<u>(1,215)</u>

## **Explanatory Notes Pursuant To Malaysian Financial Reporting Standards (“MFRS”) 134 Interim Financial Reporting (Cont’d)**

### **A9. Operating Segment Information (Cont’d)**

	IT and ICT Division RM'000	Construction Division RM'000	Property Investment Division RM'000	Property Development Division RM'000	Moneylending Business Division RM'000	Plantation Division RM'000	Investment Holding Division RM'000	The Group RM'000
<b>Current quarter ended</b>								
<b>30 September 2022</b>								
<b>Assets</b>								
Segment assets/Consolidated total assets	46,093	283	8,589	175,467	16,797	33,701	99,170	<u>380,100</u>
<b>Liabilities</b>								
Segment liabilities/Consolidated total liabilities	24,842	24	100	73,250	67	131	449	<u>98,863</u>

\*- Amount less than RM1,000

**Part A**

**Explanatory Notes Pursuant To Malaysian Financial Reporting Standards (“MFRS”) 134 Interim Financial Reporting (Cont’d)**

**A9. Operating Segment Information (Cont’d)**

	IT and ICT Division RM'000	Construction Division RM'000	Property Investment Division RM'000	Property Development Division RM'000	Moneylending Business Division RM'000	Investment Holding Division RM'000	The Group RM'000
<b>Current quarter ended 30 September 2021</b>							
<b>Revenue</b>							
External revenue	46,200	-	69	216	657	181	47,323
Inter-segment revenue	1	-	-	-	-	-	1
	<u>46,201</u>	<u>-</u>	<u>69</u>	<u>216</u>	<u>657</u>	<u>181</u>	<u>47,324</u>
Consolidation adjustments							(1)
Consolidated revenue							<u>47,323</u>
<b>Results</b>							
Segment results	2,049	(124)	17	(56)	192	(67)	2,011
Gain on modification of leases	-	-	-	-	-	-	-
Interest income	1	-	-	-*	11	-	12
Net realisation of fair value arising from the acquisition of a subsidiary	-	-	-	(42)	-	-	(42)
Depreciation of property and equipment	(92)	-*	(2)	(7)	(67)	(19)	(187)
Depreciation of right-of-use assets	(504)	-	-	-	(15)	(12)	(531)
Depreciation of investment properties	-	-	(40)	-	-	-	(40)
Interest expense	-	-	-	(778)	-	-	(778)
Interest expense on lease liabilities	(98)	-	-	-	(2)	-	(100)
Consolidated profit/(loss) before taxation	<u>1,356</u>	<u>(124)</u>	<u>(25)</u>	<u>(883)</u>	<u>119</u>	<u>(98)</u>	<u>345</u>
Tax expense	(295)	-	(6)	5	(54)	-	(350)
Consolidated profit/(loss) after taxation	<u>1,061</u>	<u>(124)</u>	<u>(31)</u>	<u>(878)</u>	<u>65</u>	<u>(98)</u>	<u>(5)</u>
<b>Assets</b>							
Segment assets/Consolidated total assets	50,688	696	10,898	154,373	64,752	53,649	<u>335,056</u>
<b>Liabilities</b>							
Segment liabilities/Consolidated total liabilities	30,498	22	95	70,335	130	182	<u>101,262</u>

The Group operates principally in Malaysia.

## Part A

### **Explanatory Notes Pursuant To Malaysian Financial Reporting Standards (“MFRS”) 134 Interim Financial Reporting (Cont’d)**

#### **A10. Material Events Subsequent to the End of the Interim Period**

There were no material events subsequent to the end of the current quarter up to 21 November 2022, being the latest practicable date not earlier than seven (7) days from the date of the issue of this report that are expected to have an operational or financial impact on the Group except as follows:-

- (i) Bursa Securities had, vide its letter dated 6 October 2022, approved the listing and quotation of up to 127,580,200 Placement Shares to be issued pursuant to the Proposed Private Placement (“Private Placement II”) subject to the following conditions:
  - a. HMCB and TA Securities must fully comply with the relevant provisions under the ACE Listing Requirements pertaining to the implementation of the Proposed Private Placement II;
  - b. HMCB and TA Securities to inform Bursa Securities upon the completion of the Proposed Private Placement II;
  - c. HMCB and TA Securities to inform Bursa Securities with a written confirmation of its compliance with terms and conditions of Bursa Securities’ approval once the Proposed Private Placement II is completed.
- (ii) The Board of Directors of HMCB (“Board”) has on 27 October 2022 announced that the proposed variation to vary and re-allocate the un-utilised proceeds of up to approximately RM24.11 million raised from the Rights Issue (i.e., approximately RM8.89 million) and the Private Placement (i.e. approximately RM15.22 million) to satisfy part of the Purchase Consideration for the Acquisition of serviced apartments at Tower A, Antara @ Genting Highlands in stages within the stipulated period as set out in the conditional sale and purchase agreement dated 28 April 2022 entered into between the Company and Aset Kayamas Sdn Bhd (“Developer”) in relation to the Acquisition (“SPA”), has been duly passed by poll at the Extraordinary General Meeting (“EGM”).
- (iii) The Board has on 1 November 2022 announced that HMCB has entered into a Conditional Shares Sales Agreement (“SSA”) with Caely Holdings Berhad (“CHB” or the “Purchaser”) to dispose of 100,000 ordinary shares in Kepayang Heights Sdn Bhd (“KHSB”).

Subsequent to the completion of SSA, CHB agrees to subscribe for 100,000,000 ordinary shares in KHSB (“Subscription Shares”), representing 97.14% of the enlarged issued share capital in KHSB for a total subscription price of RM1.5 million (“Total Subscription Price”) upon the terms and subject to the conditions in a Subscription Agreement entered into between CHB and KHSB.

On 8 November 2022, the Board has announced additional information in relation to the Proposals arising from the supplemental agreements that have been entered into with CHB.

- (iv) The Board has on 14 November 2022 entered into Shares Sale Agreement (“SSA”) with Mdm. Chan Swee Ying (“CSY” or the “Purchaser”) to dispose of 18,500,000 ordinary shares in Nuone Sdn Bhd (“NSB”) which represents the entire issued and paid-up share capital in NSB (“Sales Shares”) for total cash consideration of RM5.7 million (“Proposed Disposal”)

#### **A11. Changes in the Composition of the Group**

There were no changes in the composition of the Group during the current financial period under review.

#### **A12. Changes in Contingent Liabilities and Contingent Assets since the Last Annual Balance Sheet Date**

Since the last annual balance sheet date, there were no material changes in contingent liabilities and contingent assets for the Group as at 21 November 2022 (the latest practicable date not earlier than seven (7) days from the date of issue of this report).

#### **A13. Capital Commitments**

There were no capital commitments as at 21 November 2022 (the latest practicable date not earlier than seven (7) days from the date of issue of this report) except as follows:

	RM'000
Approved and contracted for:	
- Investment properties under construction	172,444
	<hr/>

**Explanatory Notes Pursuant To Malaysian Financial Reporting Standards (“MFRS”) 134 Interim Financial Reporting (Cont’d)**

**A14. Related Party Transactions**

The Group’s related party transactions are as follows:

	Individual Quarter		Cumulative Period	
	Current Year Quarter 30 September 2022 RM000	Preceding Year Corresponding Quarter 30 September 2021 RM000	Current Year To-date 30 September 2022 RM000	Preceding Year Corresponding Period 30 September 2021 RM000
Administrative expenses charged to a related party	-	-	-	2
Professional services charged by a related party	11	11	22	22
Key management personnel:-				
- salaries and allowances	410	337	805	672
- defined contribution plans	49	40	96	80
- others	1	1	2	2
- fee	81	72	162	144

**A15. Changes in Fair Value of Financial Assets and Financial Liabilities, Transfers and Classifications**

There have been no significant changes in the business or economic circumstances that affect the fair value of the Group’s financial assets and financial liabilities in the current financial period under review.

**Part B**

**Explanatory Notes Pursuant To Paragraph 9.22 of the Listing Requirements**

**B1. Detailed Analysis of Overall Performance**

	Individual Quarter		Changes %	Cumulative Period		Changes %
	Current Year Quarter	Preceding Year Corresponding Quarter		Current Year To-date	Preceding Year Corresponding Period	
	30.9.2022 RM'000	30.9.2021 RM'000		30.9.2022 RM'000	30.9.2021 RM'000	
<b>Revenue:-</b>						
IT and ICT Division	33,083	46,200	(28.4)	67,928	86,849	(21.8)
Construction Division	-	-	-	-	-	-
Property Investment Division	70	69	1.4	140	125	12.0
Property Development Division	441	216	104.2	678	823	(17.6)
Moneylending Business Division	530	657	(19.3)	1,216	1,424	(14.6)
Plantation Division	779	-	100.0	1,705	-	100.0
Investment Holding Division	211	181	16.6	322	438	(26.5)
	<b>35,114</b>	<b>47,323</b>	<b>(25.8)</b>	<b>71,989</b>	<b>89,659</b>	<b>(19.7)</b>
<b>Profit /(Loss) before taxation ("PBT/(LBT"):-</b>						
IT and ICT Division	(517)	1,356	(138.1)	(1,065)	2,126	(150.1)
Construction Division	(35)	(124)	71.8	(124)	(251)	(50.6)
Property Investment Division	(29)	(25)	(16.0)	(38)	(38)	-
Property Development Division	(329)	(883)	62.7	(447)	(2,226)	79.9
Moneylending Business Division	(32)	119	(126.9)	150	413	(63.7)
Plantation Division	219	-	100.0	852	-	100.0
Investment Holding Division	(485)	(98)	(394.9)	(969)	(93)	(941.9)
	<b>(1,208)</b>	<b>345</b>	<b>(450.1)</b>	<b>(1,641)</b>	<b>(69)</b>	<b>(2,278.3)</b>



## Part B

### Explanatory Notes Pursuant To Paragraph 9.22 of the Listing Requirements (Cont'd)

#### B1. Detailed Analysis of Overall Performance (Cont'd)

##### Overall Performance

The Group's revenue for the current quarter as compared to the preceding year's corresponding quarter has decreased by 26%. This was mainly contributed by IT and ICT Division. The sales of Do-It-Yourself ("DIY") products and notebooks has decreased by RM5.75mil and RM5.1mil respectively. These are the major contributions to the decrease of the revenue.

The Group has recorded a loss in current quarter. This is mainly contributed by IT and ICT Division (-138%), Moneylending Business Division (-127%) and Investment Holding Division (-395%). Overall, the loss was mainly driven by lower revenue generated in current quarter and the higher loss recorded in Property Development Division in the preceding year corresponding quarter was mainly due to substantial finance cost incurred.

##### IT and ICT Division

The decrease in revenue in the current quarter under review as compared to the preceding year's corresponding quarter is as explained above. The LBT recorded in the current quarter is mainly due to the decrease in revenue and significant reduction in rental rebates received from landlords.

##### Construction Division

The losses recorded in both quarters were mainly due to no revenue incurred in this division.

##### Property Investment Division

There is no major fluctuation in revenue and LBT in the current quarter as compared to the preceding year's corresponding quarter

##### Property Development Division

The revenue recognised was in respect of the development project in Kajang and based on the development stage of completion as well as the percentage of the numbers of units sold.

The increase in revenue in the current quarter was mainly due to the increase in progress billings arose from the development works achieved for sold units.

LBT was reported in current quarter despite increase in revenue. This was mainly due to higher costs of sales and higher operating expense. However, the LBT was lower than preceding year's corresponding quarter mainly due to higher finance costs incurred in preceding year.

##### Moneylending Business Division

The revenue generated was in respect of interest income gained from the moneylending business operations.

The relatively low revenue generated in current quarter under review was mainly due to the revision of interest rate charged to existing customers .

The LBT recorded in the current quarter was mainly due to the decrease in interest income and increase in operating expenses compared with preceding year's corresponding quarter.

## Part B

### Explanatory Notes Pursuant To Paragraph 9.22 of the Listing Requirements (Cont'd)

#### B1. Detailed Analysis of Overall Performance (Cont'd)

##### Plantation Division

The principal activities of this new division are operating of oil palm.

Profit was recorded in the current quarter review and it was the top performance amongst other division.

##### Investment Holding Division

Higher losses in the current quarter under review despite increase in revenue. This was mainly due to increase in professional expenses, payroll and administrative expenses in current quarter under review.

#### B2. Comments on Material Changes in the Profit/(Loss) Before Taxation for the Quarter Reported as Compared with the Immediate Preceding Quarter

	Current Quarter 30.9.2022 RM'000	Immediate Preceding Quarter 30.6.2022 RM'000	Changes %
<b>Revenue:-</b>			
IT and ICT Division	33,083	34,845	(5.1)
Construction Division	-	-	-
Property Investment Division	70	70	-
Property Development Division	441	237	86.1
Moneylending Business Division	530	686	(22.7)
Plantation Division	779	926	(15.9)
Investment Holding Division	211	111	90.1
	<b>35,114</b>	<b>36,875</b>	<b>(4.8)</b>
<b>PBT/(LBT):-</b>			
IT and ICT Division	(517)	(548)	(5.7)
Construction Division	(35)	(89)	60.7
Property Investment Division	(29)	(9)	(222.2)
Property Development Division	(329)	(118)	(178.8)
Moneylending Business Division	(32)	182	(117.6)
Plantation Division	219	633	(65.4)
Investment Holding Division	(485)	(484)	(0.2)
	<b>(1,208)</b>	<b>(433)</b>	<b>(179.0)</b>

## **Part B**

### **Explanatory Notes Pursuant To Paragraph 9.22 of the Listing Requirements (Cont'd)**

#### **B2. Comments on Material Changes in the Loss Before Taxation for the Quarter Reported as Compared with the Immediate Preceding Quarter (Cont'd)**

##### Overall Performance

Overall, the Group's revenue for the current quarter as compared to the immediate preceding quarter has decreased mainly due to the decrease in revenue from Moneylending Business Division, Plantation Division, and IT and ICT Division.

The higher LBT recorded in the current quarter as compared to the immediate preceding quarter was mainly driven by the decrease of revenue from the divisions mentioned above.

##### IT and ICT Division

Lower sales in most of the products resulted decrease in revenue and decrease in LBT in the current quarter under review as compared to the immediate preceding quarter. The sales of DIY was dropped by 67% as compared to immediate preceding quarter. It was the main contributor of the drop of the sales.

##### Construction Division

There were no revenue reported in both quarters. The LBT was improved by 61% in current quarter mainly driven by lower payroll related expenses.

##### Property Investment Division

The rental income earned was fairly consistent for both quarters. However, the LBT was increased in current quarter review mainly due to increase in payroll related expenses and administrative expenses.

##### Property Development Division

The improvement of the revenue during the current quarter under review is as explained above.

However, the LBT increase significantly in current review quarter despite increase in revenue. This was mainly due to bank guarantee received was recognised as other income in immediate preceding quarter.

##### Moneylending Business Division

The decrease in revenue in the current quarter was mainly due to decrease in the volume of money lending.

The LBT increased in current quarter was contributed by decrease in revenue and increase in payroll related expenses as well as additional expenses incurred for upkeep of office equipment and motor vehicle.

## **Part B**

### **Explanatory Notes Pursuant To Paragraph 9.22 of the Listing Requirements (Cont'd)**

#### **B2. Comments on Material Changes in the Loss Before Taxation for the Quarter Reported as Compared with the Immediate Preceding Quarter (Cont'd)**

##### Plantation Division

The principal activities of this new division are operating of oil palm and durian plantation.

The PBT was lower in current quarter review mainly driven by the average fresh fruit bunches (FFB) dropped by 38% per tonne during the quarter under review.

##### Investment Holding Division

The increase in revenue was mainly due to increased in interest income from short-term investment as compared to immediate preceding quarter.

The LBT reported was fairly consistent for both quarters despite increase in revenue. This was because higher administrative expenses, i.e. printing and stationery, advertisement, and professional fees were incurred in current quarter review.

## **Part B**

### **Explanatory Notes Pursuant To Paragraph 9.22 of the Listing Requirements (Cont'd)**

#### **B3. Commentary on Prospects**

The transition to the endemic phase and reopening of Malaysia's borders have clearly provided a positive impact to the Malaysian economy. While the domestic demand is expected to improve as economy activities have slowly recovered to pre-pandemic stage, the uncertainties arising from the global wheat shortage and higher crude oil and gas prices amid fears of a global economic shock from Russia's invasion of Ukraine posing threats to higher inflation rate in Malaysia and thus rising cost of living.

Since a major part of our revenue is dependent on the general well-being of retail or consumer spending, the demand for IT and ICT products is expected to fluctuate. Other than the core business, the Group's other businesses also include property development, construction and investment and moneylending services and with the recent acquisition of a plantation company, it enables the Group to diversify its revenue and income streams.

The Board will take a cautious risk-adjusted approach towards the deployment of funds to existing portfolios while continuing to seek more opportunities and assessing all factors and angles before deciding to undertake any such possibilities.

#### **B4. Variance between Actual Profit and Forecast Profit or Profit Guarantee**

There were no profit forecast or profit guarantee made public for the current financial period under review.

## Part B

### Explanatory Notes Pursuant To Paragraph 9.22 of the Listing Requirements (Cont'd)

#### B5. Tax Expense

The tax expense is as follows:

	Individual Quarter		Cumulative Period	
	Current Year Quarter 30.9.2022 RM'000	Preceding Corresponding Quarter 30.9.2021 RM'000	Current Year To-date 30.9.2022 RM'000	Preceding Year Corresponding Period 30.9.2021 RM'000
Current tax expense:				
- For the current financial period	(21)	(355)	(89)	(688)
- (Under)/Overprovision in the Deferred tax expense:				
- For the current financial period	14	5	21	18
	<u>(7)</u>	<u>(350)</u>	<u>(68)</u>	<u>(670)</u>

#### B6. Status of Corporate Proposals

There were no other corporate proposals as at 21 November 2022 (the latest practicable date not earlier than seven (7) days from the date of issue of this report) pending for completion except for the Proposed Private Placement II and Proposal Disposal as mentioned in A10 above.

## Part B

### Explanatory Notes Pursuant To Paragraph 9.22 of the Listing Requirements (Cont'd)

#### B7. Utilisation of Proceeds

##### Rights Issue of Shares with Warrants B and the Rights Issue of ICPS

On 15 May 2019, TA Securities on behalf of the Board of Directors of HMCB (“Board”), announced that the Rights Issue of Shares with Warrants B and Rights Issue of ICPS (collectively referred as “Rights Issues I”) have been completed following the listing of and quotation for 60,988,578 new ordinary shares together with 60,988,578 Warrants B and 914,828,754 ICPS on the ACE Market of Bursa Securities.

On 25 July 2019, the shareholders of the Company had approved the variation to the utilisation of proceeds raised from the Rights Issues I. At 30 September 2022, the status of the utilisation of proceeds raised from the Rights Issues I taking into consideration the variation approved on 25 July 2019 is as follows:-

Utilisation of proceeds	Utilisation of proceeds after the variation (RM'000)	Amount utilised at 30 September 2022 (RM'000)	Balance of proceeds (RM'000)	Revised time frame for utilisation of proceeds
	(A)	(B)	(A-B)	
Proposed development project under Kepayang Heights Sdn Bhd (“KHSB”)	10,189 <sup>+</sup>	(1,298)	8,891	Within 48 months*
Working capital for moneylending business	20,000	(20,000)	-	Within 12 months <sup>^</sup>
Future projects and/or acquisitions	19,500 <sup>+</sup>	(19,500)	-	Within 36 months*
Working capital	4,118 <sup>#</sup>	(4,118)	-	Within 24 months*
Expenses in relation to the corporate exercises	1,082 <sup>#</sup>	(1,082)	-	-
<b>Total</b>	<b>54,889</b>	<b>(45,998)</b>	<b>8,891</b>	

#### Notes:

- \* From 15 May 2019 (being the date of completion of the Rights Issues I).
- <sup>^</sup> From 25 July 2019 (being the date of obtaining approval from shareholders of the Company for a variation to the utilisation of proceeds at a general meeting).
- # As the actual expenses for the corporate exercises were lower than the estimated expenses for the said corporate exercises, hence the surplus amount (i.e approximately RM118,000) has been re-allocated to the working capital of the Group.
- + After variation of the utilisation of proceeds of RM13 million (as announced by the Company on 28 April 2022) from the proposed development project under KHSB to future projects and/or acquisition.

**Part B****Explanatory Notes Pursuant To Paragraph 9.22 of the Listing Requirements (Cont'd)****B7. Utilisation of Proceeds (Cont'd)**Private Placement I

On 29 March 2022, the Company has completed a private placement of 306,524,700 new HMCB Shares at an issue price of RM0.065 each following the listing of 306,524,700 new HMCB Shares in the ACE Market of Bursa Securities.

At 30 September 2022, the status of the utilisation of proceeds raised from Private Placement I is as follows:-

Utilisation of proceeds	Utilisation of proceeds (RM'000)	Amount utilised at 30 September 2022 (RM'000)	Balance of proceeds (RM'000)	Timeframe for utilisation*
	(A)	(B)	(A-B)	
Working capital for 'The Louvre' project	19,696	(5,103)	14,593	Within 12 months*
Expenses in relation to the corporate exercise	228 <sup>#</sup>	(228)	-	Within 1 month
<b>TOTAL</b>	<b>19,924</b>	<b>(5,331)</b>	<b>14,593</b>	

Notes:

\* From 29 March 2022 (being the date of completion of the Private Placement I).

# As the actual expenses for the corporate exercise were lower than the estimated expenses for the said corporate exercise, hence the surplus (i.e approximately RM12,000) has been re-allocated to the working capital for 'The Louvre' project.



## Part B

### Explanatory Notes Pursuant To Paragraph 9.22 of the Listing Requirements (Cont'd)

#### B8. Details of Group Borrowings and Debt Securities

The Group's interest-bearing borrowings as at the end of the reporting period are as follows:

	As at 30.9.2022 RM'000	As at 30.9.2021 RM'000
<b>Current</b>		
Lease liabilities	2,259	2,086
Term loans	-	9,489
	<hr/>	<hr/>
	2,259	11,575
<b>Non-current</b>		
Lease liabilities	188	2,334
	<hr/>	<hr/>
	2,447	13,909

On 18 September 2020, a subsidiary of the Company entered into supplementary agreements with a financial institution to revise the repayment schedule and effective interest rate of the credit facilities. The revised repayment schedule commenced in January 2021 and fully repayable by December 2021. The effective interest rate has been revised from 8.75% to 7% per annum.

On 23 December 2021, the term loans have been fully repaid according to the revised repayment schedule.

#### B9. Gains and Losses arising from Fair Value Changes of Financial Liabilities

No gains or losses were recognised for changes in fair values of financial liabilities during the quarter under review.

#### B10. Changes in Material Litigation

The Directors were not aware of any material litigation, which, if enforced, may have a material impact on the profit or net asset value of the Group.

#### B11. Dividends

No interim dividend has been declared or proposed for the current financial period under review.

#### B12. Loss per Share

The basic loss per share was calculated by dividing the profit/(loss) after taxation attributable to the owners of the Company by the weighted average number of ordinary shares in issue in the respective period as follows:

	Year Quarter 30.9.2022	Corresponding Quarter 30.9.2021	Year To-date 30.9.2022	Corresponding Period 30.9.2021
Loss after taxation attributable to the owners of the Company (RM'000)	(1,212)	1	(1,707)	(733)
Weighted average number of ordinary shares in issue	1,125,093,216	665,304,752	1,115,665,395	630,767,074
Basic loss per share (sen)	(0.11)	#	(0.15)	(0.12)
Diluted loss per share (sen)	(0.11)	#	(0.15)	(0.12)

Note:-

# - earnings per share less than 0.01sen

**Part B****Explanatory Notes Pursuant To Paragraph 9.22 of the Listing Requirements (Cont'd)****B13. Notes to the Statement of Profit or Loss and Other Comprehensive Income**

	Individual Quarter		Cumulative Period	
	Current Year Quarter 30.9.2022 RM'000	Preceding Year Corresponding Quarter 30.9.2021 RM'000	Current Year To-date 30.9.2022 RM'000	Preceding Year Corresponding Period 30.9.2021 RM'000
Interest income	219	193	342	459
Interest expense	-	778	-	2,001
Interest expense on lease liabilities	59	100	129	212
Depreciation of property and equipment	202	187	409	450
Depreciation of investment properties	41	40	81	81
Depreciation of right-of-use assets	632	531	1,264	1,077
Net realisation of fair value arising from the acquisition of a subsidiary	68	42	149	106
Gain on modification of leases	-	-	-	2

**B14. Authorisation for issue**

The interim financial statements were authorised for issue by the Board in accordance with a resolution of the directors dated 25 November 2022.