



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 31 March 2023

**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 31 MARCH 2023**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year Quarter 31 March 2023 (Unaudited) RM'000	Preceding Year Corresponding Quarter 31 March 2022 (Unaudited) RM'000	Current Year To- date 31 March 2023 (Unaudited) RM'000	Preceding Year Corresponding Period 31 March 2022 (Unaudited) RM'000
Revenue	25,586	32,245	132,856	168,467
Cost of sales	(24,713)	(30,109)	(120,780)	(149,195)
Gross profit	<u>873</u>	<u>2,136</u>	<u>12,076</u>	<u>19,272</u>
Other income	1,719	13,219	9,063	13,667
	<u>2,592</u>	<u>15,355</u>	<u>21,139</u>	<u>32,939</u>
Operating expenses	(10,707)	(7,184)	(24,855)	(21,622)
Finance costs	(3,661)	(2,047)	(3,838)	(4,200)
(Loss)/Profit before taxation	<u>(11,776)</u>	<u>6,124</u>	<u>(7,554)</u>	<u>7,117</u>
Tax expense	(750)	(160)	(743)	(1,503)
(Loss)/Profit after taxation/ Total comprehensive expenses	<u>(12,526)</u>	<u>5,964</u>	<u>(8,297)</u>	<u>5,614</u>
(Loss)/Profit after taxation attributable to:-				
Owners of the Company	(12,536)	5,974	(8,299)	5,630
Non-controlling interests	9	(10)	1	(16)
	<u>(12,526)</u>	<u>5,964</u>	<u>(8,298)</u>	<u>5,614</u>
Total comprehensive expenses attributable to:-				
Owners of the Company	(12,536)	5,974	(8,299)	5,630
Non-controlling interests	9	(10)	1	(16)
	<u>(12,527)</u>	<u>5,964</u>	<u>(8,298)</u>	<u>5,614</u>
(Loss)/Earning per share "(LPS)/EPS" (in sen)				
Basic (LPS)/EPS	(1.10)	0.77	(0.75)	0.82
Diluted (LPS)/EPS	(1.10)	0.77	(0.75)	0.82

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

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**FOR THE QUARTER ENDED 31 MARCH 2023**

	<b>(UNAUDITED)</b>	<b>(AUDITED)</b>
	<b>As at</b>	<b>As at</b>
	<b>31 March 2023</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	4,762	8,529
Investment properties	2,475	10,638
Right-of-use assets	36,974	35,690
Land held for property development	-	11,366
Other investment	284	-
Goodwill on consolidation	10	5,774
	<b>44,505</b>	<b>71,997</b>
<b>Current Assets</b>		
Inventories	16,236	22,098
Property development costs	175,413	149,059
Trade and other receivables	109,318	64,430
Current tax assets	3,148	2,116
Short-term investments	31,155	43,921
Cash and bank balances	32,249	18,512
	<b>367,519</b>	<b>300,136</b>
<b>TOTAL ASSETS</b>	<b>412,024</b>	<b>372,133</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	285,291	261,958
Reserves	1,129	14,526
Equity attributable to owners of the Company	<b>286,420</b>	<b>276,484</b>
Non-controlling interests	503	529
<b>TOTAL EQUITY</b>	<b>286,923</b>	<b>277,013</b>
<b>Non-Current Liabilities</b>		
Lease liabilities	3,712	1,400
Deferred tax liabilities	5,078	5,131
	<b>8,790</b>	<b>6,531</b>
<b>Current Liabilities</b>		
Trade and other payables	102,730	82,144
Lease liabilities	4,323	2,118
Contract liability	8,790	4,321
Current tax liabilities	468	6
	<b>116,311</b>	<b>88,589</b>
<b>TOTAL LIABILITIES</b>	<b>125,101</b>	<b>95,120</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>412,024</b>	<b>372,133</b>
<b>Net assets per share (sen)</b>	<b>23.39</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**  
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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE TWELVE (12) MONTHS ENDED 31 MARCH 2023**

	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>Balance as at 1 April 2021</b>	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
- Private Placement	19,924	-	-	-	19,924	-	19,924
- Exercise of Warrants	28,969	-	(11,798)	-	17,171	-	17,171
- Share issuance expenses	(1,178)	-	-	-	(1,178)	-	(1,178)
Total transaction with owners	73,183	-	19,285	-	92,468	-	92,468
Profit for the period	-	-	-	5,630	5,630	(16)	5,614
<b>Balance as at 31 March 2022</b>	261,958	3,413	26,182	(15,069)	276,484	529	277,013
<b>Balance as at 1 April 2022</b>	261,958	3,413	26,182	(15,069)	276,484	529	277,013
Contributions by owners of the Company:							
- Conversion of ICPS	523	(523)	-	-	-	-	-
- Exercise of Warrants C	11,235	-	(4,575)	-	6,660	-	6,660
- Private Placement II	11,687	-	-	-	11,687	-	11,687
- Share issuance expenses	(112)	-	-	-	(112)	-	(112)
Total transactions with owners	23,333	(523)	(4,575)	-	18,235	-	18,235
Changes in ownership interest	-	-	-	-	-	(27)	(27)
Loss for the period	-	-	-	(8,299)	(8,299)	1	(8,298)
<b>Balance as at 31 March 2023</b>	285,291	2,890	21,607	(23,368)	286,420	503	286,923

(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.)

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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW**  
**FOR THE TWELVE (12) MONTHS ENDED 31 MARCH 2023**

	(UNAUDITED) CURRENT PERIOD-TO-DATE 12 MONTHS ENDED 31 March 2023 RM'000	(UNAUDITED) CORRESPONDING PERIOD-TO-DATE 12 MONTHS ENDED 31 March 2022 RM'000
<b>CASH FLOW FOR OPERATING ACTIVITIES</b>		
<b>(Loss)/Profit before taxation</b>	(7,554)	7,117
Adjustments for:		
Depreciation of property and equipment	738	896
Depreciation of right-of-use assets	2,475	2,150
Depreciation of investment properties	142	162
Equipment written off	87	-
Impairment loss on goodwill on consolidation	5,764	-
Impairment loss on a trade receivable	718	1,308
Interest expense	3,338	3,813
Interest expense on lease liabilities	500	387
Gain on disposal of investment property	(279)	-
Gain on disposal of subsidiary	(6,179)	-
Gain on disposal of property and equipment	(1,003)	-
Gain on disposal of ROU	(768)	-
COVID-19-related rent concession	-	(383)
Interest income	(854)	(938)
Gain on modification of leases	-	(9)
Bargain purchase gain on acquisition of a subsidiary	-	(11,685)
Realisation of fair value arising from the acquisition of a subsidiary	336	159
Operating profit before changes in working capital	(2,539)	2,977
Net change in inventories	5,862	(2,523)
Net change in trade & other receivables	(45,607)	4,605
Net change in contract liability	4,497	910
Net change in trade & other payables	17,476	4,146
Cash flow for operations	(20,311)	10,115
Net income tax paid	(1,366)	(2,116)
Interest received	823	898
Interest paid	-	(2,000)
<b>Net cash for operating activities</b>	(20,854)	6,897
<b>CASH FLOW FOR INVESTING ACTIVITIES</b>		
Interest income received	31	40
Addition to right-of-use assets	68	-
Acquisition of a subsidiary, net of cash and cash equivalent acquired	(27)	(20,973)
Disposal of a subsidiary, net of cash and cash equivalent disposed of	(4,058)	-
Purchase of equipment	(382)	(140)
Development costs paid	(26,685)	(18,188)
Proceeds from disposal of other investment	-	2,500
Proceeds from disposal of investment property	7,120	-
Proceeds from disposal of property and equipment	4,300	-
Proceeds from disposal of ROU	2,614	-
Proceeds from disposal of subsidiary	23,010	-
<b>Net cash from/(for) investing activities</b>	5,991	(36,761)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Rights Issue of Shares with Warrants C	-	56,551
Proceeds from exercise of Warrants C	6,660	17,171
Proceeds from Private Placement II	11,687	-
Proceeds from Private Placement III	-	19,924
Share issuance expenses	(112)	(1,178)
Interest paid	-	-
Net repayment of lease liabilities	(2,401)	(2,079)
Repayment of term loans	-	(48,553)
<b>Net cash from financing activities</b>	15,834	41,836
NET CHANGE IN CASH AND CASH EQUIVALENTS	971	11,972
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	1
	<b>63,404</b>	<b>62,433</b>
		<b>31 March 2023</b>
		<b>RM'000</b>
<b>Note 1</b>		
<b>Cash and Cash Equivalents at End of the Financial Period comprised:</b>		
Short-term investments		31,155
Cash and bank balances		32,249
		<b>63,404</b>

(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 (“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 31 MARCH 2023

### 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: Business Combination - Reference to Conceptual Framework
- Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to MFRS 137: Provisions, Contingent Liabilities and Contingent Assets - 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 and Amendments to MFRS 17: Insurance Contracts
- Amendments to MFRS 10: Consolidated Financial Statements and MFRS 128: Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information
- Amendments to MFRS 101: Presentation of Financial Statements -Classification of Liabilities as Current or Non-current and Disclosure of Accounting Policies
- Amendments to MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates
- Amendments to MFRS 112: Income Taxes - 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.

As at 31 March 2023, the ICPS, Warrants B and Warrants C of the Company was 18,030,374, 18,430,501 and 125,946,372 respectively. The Company does not have any other existing convertible securities.

In addition, 111,309,500 new HMCB Shares have been issued and allotted on 7 March 2023 pursuant to a private placement which was announced on 12 August 2022 and approved by Bursa Securities on 6 October 2022 (“Private Placement II”)

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	Construction	Property Investment	Property Development	Moneylending Business	Plantation	Investment Holding	The Group
	Division	Division	Division	Division	Division	Division	Division	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Current quarter ended</b>								
<b>31 March 2023</b>								
<b>Revenue</b>								
External revenue	26,024	-	37	(1,846)	365	656	350	25,586
Inter-segment revenue	-	-	-	-	-	-	580	580
	<u>26,024</u>	<u>-</u>	<u>37</u>	<u>(1,846)</u>	<u>365</u>	<u>656</u>	<u>930</u>	<u>26,166</u>
Consolidation adjustment								(580)
Consolidated revenue								<u>25,586</u>
<b>Results</b>								
Segment results	341	(3)	5	(2,430)	(28)	270	(301)	(2,145)
Interest income	4	-	-	2	1	-	-	7
Equipment written off	-	-	-	-	-	-	87	87
Gain on disposal of property and equipment	-	-	-	-	-	-	768	768
Gain on disposal of investment property	-	-	227	-	-	-	-	227
Gain on disposal of subsidiary	-	-	-	-	-	-	246	246
Realisation of fair value arising from the acquisition of a subsidiary	-	-	-	(27)	-	-	-	(27)
Impairment losses on receivables	-	-	-	-	(718)	-	-	(718)
Impairment losses on goodwill	-	-	-	-	-	-	(5,764)	(5,764)
Depreciation of property and equipment	(103)	-	(2)	(2)	(69)	(9)	(3)	(188)
Depreciation of right-of-use assets	(455)	-	-	-	(15)	(110)	(13)	(593)
Depreciation of investment properties	-	-	(14)	-	-	-	-	(14)
Interest expense	-	-	-	(3,338)	-	-	-	(3,338)
Interest expense on lease liabilities	(320)	-	-	-	(3)	-	-	(323)
Consolidated (loss)/profit before taxation	<u>(533)</u>	<u>(3)</u>	<u>216</u>	<u>(5,795)</u>	<u>(832)</u>	<u>151</u>	<u>(4,980)</u>	<u>(11,776)</u>
Tax expense	(257)	-	(6)	16	(8)	(495)	-	(750)
Consolidated loss after taxation	<u>(790)</u>	<u>(3)</u>	<u>210</u>	<u>(5,779)</u>	<u>(840)</u>	<u>(344)</u>	<u>(4,980)</u>	<u>(12,526)</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>31 March 2023</b>								
<b>Assets</b>								
Segment assets/Consolidated total assets	34,141	140	93,805	179,440	16,657	34,234	53,607	<u>412,024</u>
<b>Liabilities</b>								
Segment liabilities/Consolidated total liabilities	26,471	6	10,288	87,400	79	675	181	<u>125,101</u>

## 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</b>							
<b>31 March 2022</b>							
<b>Revenue</b>							
External revenue	33,451	-	70	(2,341)	855	210	32,245
Inter-segment revenue	1	-	-	-	-	-	1
	<u>33,452</u>	<u>-</u>	<u>70</u>	<u>(2,341)</u>	<u>855</u>	<u>210</u>	<u>32,246</u>
Consolidation adjustments							(1)
Consolidated revenue							<u>32,245</u>
<b>Results</b>							
Segment results	265	(128)	34	(1,604)	371	(323)	(1,385)
Gain on modification of leases	-	-	-	-	7	-	7
Interest income	4	-	-	-*	7	-	11
Impairment loss on a trade receivable	-	-	-	-	(1,308)	-	(1,308)
Net reversal of fair value arising from the acquisition of a subsidiary	-	-	-	(59)	-	-	(59)
Deposit written off	-*	-	-	-	-	-	-*
Depreciation of property and equipment	(121)	-	(1)	(8)	(68)	(13)	(211)
Depreciation of right-of-use assets	(501)	-	-	-	(15)	(13)	(529)
Depreciation of investment properties	-	-	(40)	-	-	-	(40)
Interest expense	-	-	-	(2,000)	-	-	(2,000)
Interest expense on lease liabilities	(46)	-	-	-	(1)	-	(47)
Bargain purchase gain on acquisition of a subsidiary	-	-	-	-	-	11,685	11,685
Consolidated (loss)/profit before taxation	<u>(399)</u>	<u>(128)</u>	<u>(7)</u>	<u>(3,671)</u>	<u>(1,007)</u>	<u>11,336</u>	<u>6,124</u>
Tax expense	(73)	-	(15)	11	(83)	-*	(160)
Consolidated (loss)/profit after taxation	<u>(472)</u>	<u>(128)</u>	<u>(22)</u>	<u>(3,660)</u>	<u>(1,090)</u>	<u>11,336</u>	<u>5,964</u>
<b>Assets</b>							
Segment assets/Consolidated total assets	80,701	399	10,820	164,359	67,316	48,538	<u>372,133</u>
<b>Liabilities</b>							
Segment liabilities/Consolidated total liabilities	27,889	16	94	66,866	101	154	<u>95,120</u>

Note:-

\* - Amount less than RM1,000

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 23 May 2023, 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.

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

Saved as disclosed below, there were no changes in the composition of the Group during the current financial period under review:-

- (i) On 14 November 2022, the Company had entered into a Share Sales Agreement with Mdm Chan Swee Ying 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 for total cash consideration of RM5.7 million. The disposal was completed on 28 February 2023.
- (ii) On 14 March 2023, the Company had entered into a Share Transfer Agreement with Kuan Poh Huat to acquire 40,000 ordinary shares, equivalent to 40% of the issued & paid-up share capital of Skyline Works Sdn. Bhd. (“SWSB”) for total cash consideration of RM26,865. The acquisition is completed on 14 March 2023. Accordingly, SWSB became a wholly owned subsidiary of the company.
- (iii) On 21 March 2023, the Company had entered into Share Sales Agreement with Chin Boon Long to dispose of 1,000,000 ordinary shares in Super Kian Holdings Sdn. Bhd. The disposal was completed on 24 March 2023.

#### **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 23 May 2023 (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 23 May 2023 (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	151,672
	<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 31 March 2023 RM'000	Preceding Year Corresponding Quarter 31 March 2022 RM'000	Current Year To-date 31 March 2023 RM'000	Preceding Year Corresponding Period 31 March 2022 RM'000
Administrative expenses charged to a related party	-	-	-	2
Administrative expenses charged by a related party	-	1	-	1
Professional services charged by a related party	11	11	44	50
Key management personnel:-				
- salaries and allowances	268	408	1,353	1,417
- defined contribution plans	32	49	161	168
- others	1	1	5	4
- fee	78	74	320	290

**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			Cumulative Period		
	Current Year Quarter	Preceding Year Corresponding Quarter	Changes	Current Year To-date	Preceding Year Corresponding Quarter	Changes
	31.03.2023 RM'000	31.03.2022 RM'000	%	31.03.2023 RM'000	31.03.2022 RM'000	%
<b>Revenue by Division:-</b>						
IT and ICT	26,024	33,451	(22.2)	126,111	166,285	(24.2)
Construction	-	-	0.0	-	-	0.0
Property Investment	37	70	(47.1)	247	264	(6.4)
Property Development	(1,846)	(2,341)	21.1	548	(2,168)	125.3
Moneylending Business	365	855	(57.3)	1,924	3,188	(39.6)
Plantation	656	-	100.0	3,203	-	100.0
Investment Holding	350	210	66.7	823	898	(8.3)
	<b>25,586</b>	<b>32,245</b>	<b>(20.7)</b>	<b>132,856</b>	<b>168,467</b>	<b>(21.1)</b>
<b>(Loss)/Profit before taxation ("LBT"/"PBT") by Division:-</b>						
IT and ICT	(533)	(399)	(33.6)	(878)	2,475	(135.5)
Construction	(3)	(128)	97.7	(134)	(505)	73.5
Property Investment	216	(7)	3,185.7	211	(51)	513.7
Property Development	(5,795)	(3,671)	(57.9)	(6,912)	(5,819)	(18.8)
Moneylending Business	(832)	(1,007)	17.4	(930)	(190)	(389.5)
Plantation	151	-	100.0	1,336	-	100.0
Investment Holding	(4,980)	11,336	(143.9)	(247)	11,207	(102.2)
	<b>(11,776)</b>	<b>6,124</b>	<b>(292.3)</b>	<b>(7,554)</b>	<b>7,117</b>	<b>(206.1)</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 RM 6.7 million (20.7%). The main contributor of such result is from IT and ICT Division with significant drop in revenue from Do-It-Yourself ("DIY") products and notebooks.

Group reported a loss before tax of RM 11.8 million, a drop of RM 17.9 million due to provision of impairment loss on goodwill and absent of bargain purchase gain on acquisition of subsidiary in preceding year corresponding quarter.

##### IT and ICT Division

Decline of revenue is explained above. Higher LBT for the quarter under review was resulted by increase of lease liability interest on renewal of office rented

##### Construction Division

The losses recorded in both quarters were due to absent of revenue in the division.

##### Property Investment Division

Revenue and LBT in both quarter under review are comparable.

##### 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 negative revenue reported in the both quarter under review was due to provision of Liquidated Ascertained Damages ("LAD") which net off against revenue for the presentation.

LBT was reported in current quarter due to recognition of LAD on further extension of completion date of development project in Kajang and late payment interest on owing to main contractor.

##### Moneylending Business Division

The relatively low revenue generated in current quarter under review was mainly due to settlement of borrowing by a major customer.

LBT for both quarter under review are comparable as resulted by direct impact of lower revenue.

##### Plantation Division

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

The division continue to be the top performer amongst other division.



## Part B

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

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

##### Investment Holding Division

Revenue increased due to interest income generated from short term investment and bank balances with higher interest rate.

The division reported LBT of RM 4.9 million, a drop of RM 16.3 million due to provision of impairment loss on goodwill mitigate by gain on disposal of property and absent of bargain purchase gain on acquisition of subsidiary in preceding year corresponding quarter.

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

	Current Quarter	Immediate Preceding Quarter	Changes
	31.3.2023	31.12.2022	
	RM'000	RM'000	%
<b>Revenue by Division:-</b>			
IT and ICT	26,024	32,158	(19.1)
Construction	-	-	0.0
Property Investment	37	70	(47.1)
Property Development	(1,846)	1,715	(207.6)
Moneylending Business	365	344	6.1
Plantation	656	842	(22.1)
Investment Holding	350	152	130.3
	<b>25,586</b>	<b>35,281</b>	<b>(27.5)</b>
<b>(LBT)/PBT by Division:-</b>			
IT and ICT	(533)	722	(173.8)
Construction	(3)	(8)	62.5
Property Investment	216	35	517.1
Property Development	(5,795)	(671)	(763.6)
Moneylending Business	(832)	(248)	(235.5)
Plantation	151	331	(54.4)
Investment Holding	(4,980)	5,702	(187.3)
	<b>(11,776)</b>	<b>5,863</b>	<b>(300.9)</b>

##### Overall Performance

Revenue for the current quarter is lower to the immediate preceding quarter by RM 9.7 million mainly due to drop in IT & ICT revenue and recognition of LAD in property development division which net off against revenue for the presentation.

LBT of RM 11.8 million recorded in the current quarter, a drop of RM 17.6 million as compared to the immediate preceding quarter was mainly driven by provision of impairment loss on goodwill, recognition of LAD and interest expense from property development division, and absent of gain on disposal of subsidiary in immediate preceding quarter.

### IT and ICT Division

Fluctuation of revenue for the quarter under review as compared to immediate preceding quarter is mainly due to soft demand of notebook and DIY products.

Lower LBT by RM 1.2 million is mainly due to absent of gain on disposal of property and equipment.

### Construction Division

There was no revenue reported in both quarters, thus presenting comparable LBT for both quarter under review.

### Property Investment Division

The rental income earned was fairly consistent for both quarters. Fluctuation of bottom-line result was due to the gain on disposal of property investment in immediate preceding 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 negative revenue reported in the quarter under review was due to provision of Liquidated Ascertained Damages ("LAD") which net off against revenue for the presentation.

LBT was reported in current quarter due to recognition of LAD on further extension of completion date of development project in Kajang and late payment interest on owing to main contractor.

### Moneylending Business Division

The revenue for both quarters under review was fairly consistent.

Higher LBT reported in current quarter was resulted from impairment loss on trade receivable.

### Plantation Division

Revenue fluctuation for plantation division is directly impacted by output of fresh fruit bunches ("FFB").

Lower PBT reported in current quarter under review mainly driven by 23% decline in FFB output with comparable average price per metric tonne of FFB between both quarter under review.

### Investment Holding Division

The increase in revenue was mainly due to higher short-term investment and bank balances available to generate interest income as compared to immediate preceding quarter.

The division reported LBT of RM 4.9 million, a drop of RM 10.6 million due to provision of impairment loss on goodwill, mitigate by gain on disposal of property and absent of gain on disposal of subsidiary in immediate preceding quarter.

## Part B

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

#### B3. Commentary on Prospects

According to World Bank forecasts, global growth in 2023 is slowing sharply in the face of elevated inflation, higher interest rates, reduced investment and disruptions caused by the conflict between Russia & Ukraine. We are experiencing a similar worldwide trend of weaker demand for notebook products.

The Group strategy on diversification into plantation segment had begun to witness positive outcomes.

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.

#### B5. Tax Expense

The tax expense is as follows:

	Individual Quarter		Cumulative Period	
	Current Year Quarter 31.03.2023 RM'000	Preceding Corresponding Quarter 31.03.2022 RM'000	Current Year To-date 31.03.2023 RM'000	Preceding Year Corresponding Period 31.03.2022 RM'000
Current tax expense:				
- For the current financial period	(465)	(170)	(513)	(1,178)
- Over/(under)provision in the previous financial year	(271)	(1)	(282)	(342)
	<u>(736)</u>	<u>(171)</u>	<u>(795)</u>	<u>(1,520)</u>
Deferred tax expense:				
- For the current financial period	(4)	11	62	17
- Underprovision in the previous financial period	(10)	-	(10)	-
	<u>(14)</u>	<u>11</u>	<u>52</u>	<u>17</u>
	<u>(750)</u>	<u>(160)</u>	<u>(743)</u>	<u>(1,503)</u>

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

**B6. Status of Corporate Proposals**

It marked the completion of the Private Placement II following the listing of 111,309,500 new HMCB shares on 7 March 2023 on the ACE Market of Bursa Securities.

There were no other corporate proposals as at 23 May 2023 (the latest practicable date not earlier than seven (7) days from the date of issue of this report).

**B7. Utilisation of Proceeds**

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.

On 27 October 2022, the shareholders of the Company had approved the variation to utilisation of proceeds raised from the Rights Issues I.

At 31 December 2022, the status of the utilisation of proceeds raised from Private Placement I is as follows:-

Utilisation of proceeds	Utilisation of proceeds after the variation (RM'000)	Amount utilised at 31 March 2023 (RM'000)	Balance of proceeds (RM'000)	Timeframe for utilisation*
	(A)	(B)	(A-B)	
Working capital for 'The Louvre' project	5,579	(5,579)	-	Within 12 months*
Expenses in relation to the corporate exercise	228 <sup>#</sup>	(228)	-	Within 1 month
Part finance the acquisition	14,117 <sup>^</sup>	(10,403)	3,714	Within 6 month <sup>@</sup>
<b>TOTAL</b>	<b>19,924</b>	<b>(16,210)</b>	<b>3,714</b>	

Notes:

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

@ From 27 October 2022 (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 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.

<sup>^</sup> After variation of the utilisation of proceeds of RM 8.9 million (as announced by the Company on 27 October 2022) from the proposed development project under KHSB to part finance the acquisition.

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

On 7 March 2023, the Company has completed a private placement II of 111,309,500 new HMCB shares at an issue price of RM0.105 each following the listing of 111,309,500 new HMCB Shares in the ACE Market of Bursa Securities.

At 31 March 2023, the status of utilisation of proceeds raised from Private Placement II is as follows:-

Utilisation of proceeds	Utilisation of proceeds after the variation (RM'000)	Amount utilised at 31 March 2023 (RM'000)	Balance of proceeds (RM'000)	Timeframe for utilisation*
	(A)	(B)	(A-B)	
Working capital for moneylending business	11,575*	-	11,575	Within 12 months*
Expenses in relation to the corporate exercise	112#	(112)	-	Within 1 month
<b>TOTAL</b>	<b>11,687</b>	<b>(112)</b>	<b>11,575</b>	

\* From 7 March 2023 (being the date of completion of the Private Placement II).

# 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 RM48,000) has been re-allocated to the working capital for moneylending business.

## 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 31.03.2023 RM'000	As at 31.03.2022 RM'000
<b>Current</b>		
Lease liabilities	4,323	2,118
<b>Non-current</b>		
Lease liabilities	3,712	1,400
	<hr/>	<hr/>
	8,035	3,518

#### 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)/Profit 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 31.03.2023	Corresponding Quarter 31.03.2022	Year To-date 31.03.2023	Corresponding Period 31.03.2022
(Loss)/Profit after taxation attributable to the owners of the Company (RM'000)	(12,536)	5,974	(8,299)	5,630
Weighted average number of ordinary shares in issue	1,144,014,490	775,623,059	1,110,284,838	688,535,311
Basic (loss)/profit per share (sen)	(1.10)	0.77	(0.75)	0.82
Diluted (loss)/profit per share (sen)	(1.10)	0.77	(0.75)	0.82

**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 31.03.2023 RM'000	Preceding Year Corresponding Quarter 31.03.2022 RM'000	Current Year To-date 31.03.2023 RM'000	Preceding Year Corresponding Period 31.03.2022 RM'000
Interest income	356	221	854	938
Interest expense	3,338	2,000	3,338	3,813
Interest expense on lease liabilities	323	47	500	387
Gain on disposal of investment properties	227	-	279	-
Gain on disposal of subsidiary	246	-	6,179	-
Gain on disposal of property and equipment	768	-	1,771	-
Depreciation on property and equipment	188	211	737	896
Depreciation on investment properties	14	40	142	162
Depreciation on right-of-use assets	592	529	2,476	2,150
Impairment loss on a trade receivable	718	1,308	718	1,308
Impairment loss on goodwill	5,764	-	5,764	-
Plant and equipment written off	87	-	87	-
Net realisation of fair value arising from the acquisition of a subsidiary	27	59	336	159
Gain on modification of leases	-	7	-	9
Bargain purchase gain on acquisition of a subsidiary	-	11,685	-	11,685

**B14. Authorisation for issue**

The interim financial statements were authorised for issue by the Board in accordance with a resolution of the directors dated 30 May 2023.