

VORTEX CONSOLIDATED BERHAD

(Formerly Known As SKH CONSORTIUM BERHAD)

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

Year 2019

**Quarterly Announcement
For The Quarter Ended 31 MARCH 2019**

VORTEX CONSOLIDATED BERHAD (Formerly Known As SKH CONSORTIUM BERHAD)
(Company No. 383028-D)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 MARCH 2019

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To-date	Preceding Year Corresponding Period
	<u>31 March 2019</u>	<u>31 March 2018</u>	<u>31 March 2019</u>	<u>31 March 2018</u>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	RM'000	RM'000	RM'000	RM'000
Revenue	32,190	41,081	156,330	155,091
Cost of sales	(28,287)	(37,494)	(139,358)	(138,316)
Gross profit	<u>3,903</u>	<u>3,587</u>	<u>16,972</u>	<u>16,775</u>
Other income	177	136	193	74
	<u>4,080</u>	<u>3,723</u>	<u>17,165</u>	<u>16,849</u>
Operating expenses	(3,796)	245	(15,966)	(15,070)
Finance costs	(2)	(1)	(8)	(4)
Profit before taxation	<u>282</u>	<u>3,967</u>	<u>1,191</u>	<u>1,775</u>
Income tax expense	(93)	(211)	(905)	(1,003)
Profit after taxation	<u>189</u>	<u>3,756</u>	<u>286</u>	<u>772</u>
Total comprehensive income	<u>189</u>	<u>3,756</u>	<u>286</u>	<u>772</u>
Profit after taxation attributable to:-				
Owners of the Company	189	3,755	287	771
Non-controlling interests	-	1	(1)	1
	<u>189</u>	<u>3,756</u>	<u>286</u>	<u>772</u>
Total comprehensive income attributable to:-				
Owners of the Company	189	3,755	287	771
Non-controlling interests	-	1	(1)	1
	<u>189</u>	<u>3,756</u>	<u>286</u>	<u>772</u>
Earning per share (EPS) (in sen)				
Basic EPS	0.05	0.63	0.05	0.14
Diluted EPS	0.05	0.63	0.05	0.14

(The Condensed Consolidated Statement 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 2018 and the accompanying explanatory notes attached to the interim financial statements.)

VORTEX CONSOLIDATED BERHAD (Formerly Known As SKH CONSORTIUM BERHAD)
(Company No. 383028-D)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

	(UNAUDITED)	(AUDITED)
	As at	As at
	31 March 2019	31 March 2018
	RM'000	RM'000
ASSETS:		
Non-Current Assets:		
Property and equipment	9,030	8,350
Investment properties	16,453	14,293
Land held for development	13,846	-
Trade receivable	-	7,574
Goodwill on consolidation	5,764	5,764
	45,093	35,981
Current Assets:		
Inventories	18,626	18,028
Trade and other receivables	20,282	23,392
Current tax assets	1,838	1,514
Short-term investments	3,322	9,932
Cash and bank balances	13,065	11,860
	57,133	64,726
TOTAL ASSETS	102,226	100,707
EQUITY AND LIABILITIES:		
EQUITY		
Share capital	59,880	59,880
Reserves	11,608	11,321
Equity attributable to owners of the Company	71,488	71,201
Non-controlling interests	(33)	(108)
TOTAL EQUITY	71,455	71,093
Non-Current Liabilities:		
Hire purchase payables	226	58
Deferred tax liabilities	65	65
	291	123
Current Liabilities:		
Trade and other payables	30,419	28,614
Amount due to a contract customer	-	849
Hire purchase payables	61	28
	30,480	29,491
TOTAL LIABILITIES	30,771	29,614
TOTAL EQUITY AND LIABILITIES	102,226	100,707
Net assets per share (sen)	23.44	11.67

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2018 and the accompanying explanatory notes attached to the interim financial statements.)

VORTEX CONSOLIDATED BERHAD (Formerly Known As SKH CONSORTIUM BERHAD)
(Company No. 383028-D)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE TWELVE (12) MONTHS ENDED 31 MARCH 2019

	(UNAUDITED)	(UNAUDITED)
	CURRENT	CORRESPONDING
	YEAR-TO-DATE	PERIOD-TO-DATE
	12 MONTHS	12 MONTHS
	ENDED	ENDED
Note	31 March 2019	31 March 2018
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	1,191	1,775
Adjustments for non-cash items:		
Depreciation of property and equipment	977	999
Depreciation of investment properties	253	132
Equipment written off	45	-
Impairment losses on receivables	1	14
Interest expense	8	4
Gain on disposal of equipment	(102)	*
Interest income	(211)	(506)
Reversal of impairment losses on receivables	-	(55)
	2,162	2,363
Operating profit before changes in working capital		
Net change in land held for development	(239)	-
Net change in inventories	(598)	(642)
Net change in trade & other receivables	10,749	(8,072)
Net change in trade & other payables	304	6,751
Net change in amount due to a contract customer	(848)	849
	11,530	1,249
Cash flow from operations		
Net income tax paid	(1,229)	(1,204)
Net cash from operating activities	10,301	45
CASH FLOW FOR INVESTING ACTIVITIES		
Interest received	145	506
Purchase of investment properties	(2,413)	(8,288)
Purchase of equipment	(1,530)	(11)
Proceed from disposal of motor vehicle	180	-
Acquisition of a subsidiary, net of cash and cash equivalents acquired	(12,102)	-
Net cash for investing activities	(15,720)	(7,793)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from non-controlling interests	70	-
Net repayment of hire purchase obligations	(48)	(27)
Interest paid	(8)	(4)
Private placement fund, net of expenses	-	4,353
Net cash from financing activities	14	4,322
NET CHANGE IN CASH AND CASH EQUIVALENTS	(5,405)	(3,426)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	21,792	25,218
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	16,387	21,792

Note:-

* - Amount less than RM1,000

Note 1

Cash and Cash Equivalents at End of the Financial Year comprised:

	31 March 2019
	RM'000
Short-term investments	3,322
Cash and bank balances	13,065
	16,387

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2018 and the accompanying explanatory notes attached to the interim financial statements.)

VORTEX CONSOLIDATED BERHAD (Formerly Known As SKH CONSORTIUM BERHAD)
(Company No. 383028-D)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE TWELVE (12) MONTHS ENDED 31 MARCH 2019

	Share Capital	Share Premium	Retained Profits	Attributable To Owners of the Company	Non- Controlling Interests	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
12 months ended 31 March 2018						
Balance as at 1 April 2017	55,444	5,324	5,309	66,077	(109)	65,968
Issuance of ordinary shares pursuant to private placement	4,436	(83)	-	4,353	-	4,353
Profit after taxation for the 12 months ended 31 March 2018	-	-	771	771	1	772
Balance as at 31 March 2018	<u>59,880</u>	<u>5,241</u>	<u>6,080</u>	<u>71,201</u>	<u>(108)</u>	<u>71,093</u>
12 months ended 31 March 2019						
Balance as at 1 April 2018	59,880	5,241	6,080	71,201	(108)	71,093
Profit/(Loss) after taxation for the 12 months ended 31 March 2019	-	-	287	287	(1)	286
Contribution by owners of the Company:-						
Acquisition of subsidiaries	-	-	-	-	76	76
Balance as at 31 March 2019	<u>59,880</u>	<u>5,241</u>	<u>6,367</u>	<u>71,488</u>	<u>(33)</u>	<u>71,455</u>

(The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2018 and the accompanying explanatory notes attached to the interim financial statements.)

VORTEX CONSOLIDATED BERHAD (“Vortex” or “the Company”)
(Formerly Known As SKH CONSORTIUM BERHAD)
(Company No. 383028-D)
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2019

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 2018. 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 year ended 31 March 2018.

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 2018 except for the adoption of the following:-

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

- MFRS 9: Financial Instruments (IFRS 9 issued by IASB in July 2014)
- MFRS 15: Revenue from Contracts with Customers
- MFRS 16: Leases
- IC Interpretation 22 Foreign Currency Transactions and Advance Consideration
- Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions
- Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts
- Amendments to MFRS 15: Effective Date of MFRS 15
- Amendments to MFRS 15: Clarifications to MFRS 15 ‘Revenue from Contracts with Customers’
- Amendments to MFRS 140 – Transfers of Investment Property
- Annual Improvements to MFRS Standards 2014 - 2016 Cycles:
 - Amendments to MFRS 1: Deletion of Short-term Exemptions for First-time Adopters
 - Amendments to MFRS 128: Measuring an Associate or Joint Venture at Fair Value

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 except as follows:-

Part A

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

A2. Changes in Accounting Policies (Cont’d)

MFRS 9 (IFRS 9 issued by IASB in July 2014) replaces the guidance in MFRS 139 on the classification and measurement of financial assets and financial liabilities, impairment of financial assets, and on hedge accounting.

MFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which the financial assets are managed and their cash flow characteristics. The new standard contains 3 principal classification categories for financial assets (measured at amortised cost, fair value through profit or loss, fair value through other comprehensive income) and eliminates the existing MFRS 139 categories of held to maturity, loans and receivables and available-for-sale financial assets.

MFRS 9 replaces the ‘incurred loss’ model in MFRS 139 with an ‘expected credit loss’ (“ECL”) model. The new impairment model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised. It involves a 3-stage approach under which financial assets move through the stages as their credit quality changes. This new impairment model applies to financial assets measured at amortised cost, debt instruments measured at fair value through other comprehensive income, contract assets, lease receivables, loan commitments and certain financial guarantee contracts.

There is no material impact on the financial statements of the Group on the adoption of this standard.

MFRS 15 establishes a single comprehensive model for revenue recognition and will supersede the current revenue recognition guidance and other related interpretations when it becomes effective. Under MFRS 15, an entity shall recognise revenue when (or as) a performance obligation is satisfied, i.e. when ‘control’ of the distinct promised goods or services underlying the particular performance obligation is transferred to the customers. The amendments to MFRS 15 further clarify the concept of ‘distinct’ for the purposes of this accounting standard. In addition, extensive disclosures are also required by MFRS 15 about the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.

There is no material impact on the financial statements of the Group on the adoption of this standard.

The Group has not applied in advance the following accounting standards and 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 16 Leases
- MFRS 17 Insurance Contracts
- IC Interpretation 23 Uncertainty Over Income Tax Treatments
- Amendments to MFRS 9: Prepayment Features with Negative Compensation
- Amendments to MFRS 10 and MFRS 128 (2011): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement
- Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures

Part A

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

A2. Changes in Accounting Policies (Cont’d)

- Amendments to References to the Conceptual Framework in MFRS Standards
- Annual Improvements to MFRS Standards 2015 – 2017 Cycles

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.

A3. Auditors’ Report on Preceding Annual Financial Statements

The auditors’ report on the audited financial statements for the financial year ended 31 March 2018 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 year 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 year under review.

A7. Issuances, Repurchases, and Repayments of Debt and Equity 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 since the last annual reporting date.

A8. Dividends Paid

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

Part A

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

A9. Operating Segments Information

The Group business segments comprise the following:-

- (i) Information Technology (“IT”) and Information Communication Technology (“ICT”) division – involved in the trading in IT and ICT related products (hardware, software and accessories), electronic commerce provider and facilitator, software development and support services and others (“IT and ICT Division”);
- (ii) Property construction and its related business (“Construction Division”);
- (iii) Property investment activities (“Property Investment Division”);
- (iv) Property development activities (“Property Development Division”); and
- (v) Investment holding (“Investment Holding Division”).

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	Investment Holding Division RM'000	The Group RM'000
Current quarter ended						
31 March 2019						
Revenue						
External revenue	31,498	541	138	-	13	32,190
Inter-segment revenue	1	-	-	-	-	1
	<u>31,499</u>	<u>541</u>	<u>138</u>	<u>-</u>	<u>13</u>	<u>32,191</u>
Consolidation adjustments						(1)
Consolidated revenue						<u>32,190</u>
Results						
Segment results	(100)	436	110	(46)	169	569
Interest income	3	-	-	-	-	3
Depreciation of property and equipment	(193)	-	-	-	(19)	(212)
Depreciation of investment properties	-	-	(75)	-	-	(75)
Interest expense	(3)	-	-	-	-	(3)
Consolidated profit/(loss) before taxation	<u>(293)</u>	<u>436</u>	<u>35</u>	<u>(46)</u>	<u>150</u>	<u>282</u>
Income tax expense	(99)	23	-	-	(17)	(93)
Consolidated profit/(loss) after taxation	<u>(392)</u>	<u>459</u>	<u>35</u>	<u>(46)</u>	<u>133</u>	<u>189</u>
Assets						
Segment assets/Consolidated total assets	49,140	14,920	16,452	14,566	7,148	<u>102,226</u>
Liabilities						
Segment liabilities/Consolidated total liabilities	30,112	323	158	7	171	<u>30,771</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	Investment Holding Division RM'000	The Group RM'000
Current quarter ended						
31 March 2018						
Revenue						
External revenue	38,023	2,928	20	-	110	41,081
Inter-segment revenue	1	-	-	-	-	1
	<u>38,024</u>	<u>2,928</u>	<u>20</u>	<u>-</u>	<u>110</u>	<u>41,082</u>
Consolidation adjustments						(1)
Consolidated revenue						<u>41,081</u>
Results						
Segment results	592	(797)	18	-	(303)	(490)
Interest income	5	-	-	-	-	5
Reversal of impairment losses on receivable	-	4,766	-	-	-	4,766
Depreciation of property and equipment	(223)	(4)	-	-	(19)	(246)
Depreciation of investment properties	-	-	(53)	-	-	(53)
Impairment losses on receivables	(14)	-	-	-	-	(14)
Interest expense	(1)	-	-	-	-	(1)
Consolidated profit/(loss) before taxation	<u>359</u>	<u>3,965</u>	<u>(35)</u>	<u>-</u>	<u>(322)</u>	<u>3,967</u>
Income tax expense	(318)	107	-	-	-	(211)
Consolidated profit/(loss) after taxation	<u>41</u>	<u>4,072</u>	<u>(35)</u>	<u>-</u>	<u>(322)</u>	<u>3,756</u>
Assets						
Segment assets/Consolidated total assets	39,895	27,603	14,293	-	18,916	<u>100,707</u>
Liabilities						
Segment liabilities/Consolidated total liabilities	26,515	2,912	23	-	164	<u>29,614</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 24 May 2019, being the last practicable date 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:-

- (a) The Board of Directors of Vortex (“the Board”) has on 8 April 2019 announced the completion of the acquisition of 85% of the entire issued and paid-up share capital in Paris Dynasty Land Sdn Bhd (“PDLSB”) by the Company on 5 April 2019 and PDLSB became a 85% owned subsidiary of the Company.
- (b) The Board has on 15 April 2019 announced that Vortex has on the same date entered into a Shares Sale Agreement (“SSA”) with Choo Peng Hung and Chan Chooi Teng to acquire the entire issued and paid-up share capital of Valhalla Holdings Sdn Bhd for a total cash consideration of RM2,000,000 (“Proposed Acquisition”). The Proposed Acquisition was completed on 19 April 2019 in accordance with the terms of the SSA.
- (c) The Board has on 18 April 2019 announced the incorporation of a wholly-owned subsidiary by the Company on the same date, namely Vortex Asset Management Sdn Bhd with an issued share capital of RM2.00 divided into 2 ordinary shares.
- (d) The Board has on 13 May 2019 announced the acquisition of the remaining 15% of the entire issued and paid-up share capital of PDLSB via a shares sale agreement entered into between the Company and Paris Dynasty Sdn Bhd for a total cash consideration of RM10.00. The acquisition was completed on 13 May 2019 and PDLSB is a wholly-owned subsidiary of the Company.
- (e) On behalf of the Company, TA Securities Holdings Berhad (“TA Securities”) has on 15 May 2019 announced the completion of:-
 - (i) the renounceable rights issue of up to 60,988,584 new Vortex shares (“Rights Share(s)”) on the basis of 1 Rights Share for every 5 shares held on 12 April 2019 (“Entitlement Date”), together with up to 60,988,584 free detachable warrants (“Warrant(s)”) on the basis of 1 Warrant for every 1 Rights Share subscribed for; and
 - (ii) the renounceable rights issue of up to 914,828,766 new irredeemable convertible preference shares in Vortex (“ICPS”) on the basis of 3 ICPS for every 1 Vortex share held on the Entitlement Date;

following the listings of 60,988,578 Rights Shares together with 60,988,578 Warrants and the listing of 914,828,754 ICPS on the Ace Market of Bursa Securities on 15 May 2019.

- (f) On behalf of the Board, TA Securities has on 16 May 2019 announced the Company proposed to undertake the proposed diversification of the existing businesses of the Group to include money lending business (“Proposed Diversification”). The Proposed Diversification is subject to the approval from the shareholders of Vortex at the forthcoming extraordinary general meeting to be convened.

Part A

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

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 24 May 2019 (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 24 May 2019 (the latest practicable date not earlier than seven (7) days from the date of issue of this report).

Part A

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	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding Quarter	To-date	Corresponding Period
	31 March	31 March	31 March	31 March
	2019	2018	2019	2018
	RM’000	RM’000	RM’000	RM’000
Professional services rendered by a company in which a director is a common director and has substantial financial interest	-	-	13	16
Rental of office premises charged to a company in which a director is a common director	-	10	-	55
Rental of office premises charged to a company in which a director is a common director and has substantial financial interest	-	-	-	2
Subscription fee for accounting charged to a company in which a director is a common director	4	4	14	8
Key management personnel:-				
- salaries and allowances	181	179	714	669
- defined contribution plans	22	21	85	79
- others	1	*	3	2
- fee	63	63	244	258

Note:-

* - Amount less than RM1,000

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 year 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	
	31.3.2019 RM'000	31.3.2018 RM'000		31.3.2019 RM'000	31.3.2018 RM'000	
Revenue:-						
IT and ICT Division	31,498	38,023	(17.2)	147,589	146,628	1.1
Construction Division	541	2,928	(81.5)	8,146	7,881	3.4
Property Investment Division	138	20	590.0	465	95	389.5
Investment Holding Division	13	110	(88.2)	130	487	(73.3)
	32,190	41,081	(21.6)	156,330	155,091	0.8
Profit/(Loss) before taxation ("PBT/(LBT)"):-						
IT and ICT Division	(293)	359	(181.6)	2,090	3,401	(38.5)
Construction Division	436	3,965	(89.0)	137	(247)	155.5
Property Investment Division	35	(35)	200.0	122	(44)	377.3
Property Development Division	(46)	-	(100.0)	(48)	-	(100.0)
Investment Holding Division	150	(322)	146.6	(1,110)	(1,335)	(16.9)
	282	3,967	(92.9)	1,191	1,775	(32.9)

Overall Performance

The Group's revenue has recorded a marginal increase for the current year as compared to the preceding corresponding period mainly due to the increase in revenue of IT and ICT Division.

The Group recorded a lower PBT in the current year mainly due to higher operating costs such as rental expenses.

IT and ICT Division

Despite the slight increase in revenue in this division for the current financial year, the PBT has reduced due to the reason as mentioned above.

Part B

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

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

Construction Division

The revenue recognised in the current year to-date was in respect of the contract revenue recognised on warehouse construction works. The increase in PBT as compared to preceding corresponding period was mainly due to the revenue recognised on the warehouse construction project with lower operating costs.

Property Investment Division

The increase in PBT in the current year to-date was mainly due to the increase in rental income generated from the Group's investment properties.

Investment Holding Division

The decrease in LBT in the current year to-date as compared to the preceding year corresponding period was mainly due to lower operating costs compared to last financial year.

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

	Current Quarter 31.3.2019 RM'000	Immediate Preceding Quarter 31.12.2018 RM'000	Changes %
Revenue:-			
IT and ICT Division	31,498	38,532	(18.3)
Construction Division	541	1,978	(72.7)
Property Investment Division	138	128	7.8
Investment Holding Division	13	(3)	533.3
	32,190	40,635	(20.8)
PBT/(LBT):-			
IT and ICT Division	(293)	637	(146.0)
Construction Division	436	(278)	256.8
Property Investment Division	35	46	(23.9)
Property Development Division	(46)	*	(100.0)
Investment Holding Division	150	(518)	129.0
	282	(113)	349.6

Note:-

*- Amount less than RM1,000.

Part B

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

B2. Comments on Material Changes in the Profit/(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 IT and ICT Division.

The Group has recorded a higher PBT in the current quarter mainly due to the increase of PBT from Construction Division.

IT and ICT Division

The decrease in revenue was mainly due to the decrease of sales for Do-It-Yourself ("DIY") products, computer accessories and gadgets due to lower retail sales generated from walk-in customers.

Construction Division

The higher PBT in the current quarter was mainly due to revenue recognised on the warehouse construction project with lower operating costs.

Property Investment Division

The slight decrease in PBT in the current quarter was mainly due to the increase in the operating costs of the Group's Property Investment Division.

Investment Holding Division

The increase in PBT in the current quarter was mainly due to the capitalisation of expenses incurred in relation to the Company's corporate exercises, as allowed by the accounting standards.

B3. Commentary on Prospects

The Group currently derives most of its revenue from its IT and ICT Division. The major part of our revenue is dependent on the general well-being of the retail market. To address changing consumers' spending trends, the Group has initiated our e-commerce platform for our IT and ICT Division's sales. Further, looking at the current economic sentiments, the Board has taken steps to diversify into the property segment and is currently exploring the financial services segment.

Such diversification enables the Group to tap into new business areas which will provide additional streams of revenue to complement the Group's existing businesses. The Board believes that this will be part of the Group's business plan to improve its financial performance as well as its shareholders' value. In addition, the diversifications will allow the Group to reduce reliance on its existing businesses.

The Group will continuously look for more opportunities and when appropriate, pursue them.

Part B

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

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 year under review.

B5. Tax Expense

The tax expense is as follows:

	Individual Quarter		Cumulative Period	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To-date	Preceding Year Corresponding Period
	31.3.2019 RM'000	31.3.2018 RM'000	31.3.2019 RM'000	31.3.2018 RM'000
Current tax expense:				
- For the current financial period/year	(2)	(206)	(814)	(998)
- Underprovision in the previous financial period/year	(91)	(5)	(91)	(5)
	<u>(93)</u>	<u>(211)</u>	<u>(905)</u>	<u>(1,003)</u>

B6. Status of Corporate Proposals

There were no corporate proposals as at 24 May 2019 (the latest practicable date not earlier than seven (7) days from the date of issue of this report) pending for completion save for the item mentioned in A10(e) above.

B7. Details of Group Borrowings and Debt Securities

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

	As at 31.3.2019 RM'000	As at 31.3.2018 RM'000
Current - unsecured		
Hire purchase payables - payable within 12 months	61	28
Non-current – unsecured		
Hire purchase payables - payable after 12 months	226	58
	<u>287</u>	<u>86</u>

Part B

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

B8. 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.

B9. 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.

B10. Dividends

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

B11. Earnings per Share

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

	Individual Quarter		Cumulative Period	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To-date	Preceding Year Corresponding Period
	31.3.2019	31.3.2018	31.3.2019	31.3.2018
Profit after taxation attributable to the owners of the Company (RM'000)	189	3,755	287	771
Weighted average number of ordinary shares in issue	382,872,777	595,716,797	553,910,020	564,619,155
Basic earnings per share (sen)	0.05	0.63	0.05	0.14
Diluted earnings per share (sen)	0.05	0.63	0.05	0.14

Part B**Explanatory Notes Pursuant To Paragraph 9.22 of the Listing Requirements (Cont'd)****12. Notes to the Statement of Profit or Loss and Other Comprehensive Income**

	Individual Quarter		Cumulative Period	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To-date	Preceding Year Corresponding Period
	31.3.2019 RM'000	31.3.2018 RM'000	31.3.2019 RM'000	31.3.2018 RM'000
Interest income	82	115	211	506
Other income	5	-	9	-
Interest expense	3	1	8	4
Depreciation of property and equipment	212	246	977	999
Depreciation of investment properties	75	53	253	132
Equipment written off	45	-	45	-
Impairment losses on receivables	1	14	1	14
Reversal of impairment losses on receivables	-	4,766	-	55
Gain on disposal of equipment	102	-	102	*

Note:-

* - Amount less than RM1,000

B13. Authorisation for issue

The interim financial statements were authorised for issue by the Board of in accordance with a resolution of the directors dated 30 May 2019.