



# **VORTEX CONSOLIDATED BERHAD**

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

**Year 2021**

**Quarterly Announcement  
For The Quarter Ended 31 December 2020**

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

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE QUARTER ENDED 31 DECEMBER 2020**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year Quarter 31 December 2020 (Unaudited) RM'000	Preceding Year Corresponding Quarter 31 December 2019 (Unaudited) RM'000	Current Year To-date 31 December 2020 (Unaudited) RM'000	Preceding Year Corresponding Period 31 December 2019 (Unaudited) RM'000
Revenue	52,232	42,083	138,943	112,808
Cost of sales	(45,524)	(36,989)	(121,265)	(100,420)
Gross profit	6,708	5,094	17,678	12,388
Other income	165	311	4,516	324
	6,873	5,405	22,194	12,712
Operating expenses	(5,546)	(4,783)	(14,093)	(15,108)
Finance costs	(1,581)	(2,339)	(5,732)	(5,503)
(Loss)/Profit before taxation	(254)	(1,717)	2,369	(7,899)
Tax expense	(396)	(158)	(2,182)	(306)
(Loss)/Profit after taxation	(650)	(1,875)	187	(8,205)
Total comprehensive (expenses)/income	(650)	(1,875)	187	(8,205)
(Loss)/Profit after taxation attributable to:-				
Owners of the Company	(636)	(1,836)	176	(7,951)
Non-controlling interests	(14)	(39)	11	(254)
	(650)	(1,875)	187	(8,205)
Total comprehensive (expenses)/income attributable to:-				
Owners of the Company	(636)	(1,836)	176	(7,951)
Non-controlling interests	(14)	(39)	11	(254)
	(650)	(1,875)	187	(8,205)
(Loss)/Earning per share [(LPS)/EPS] (in sen)				
Basic (LPS)/EPS	(0.05)	(0.44)	0.02	(2.07)
Diluted (LPS)/EPS	(0.05)	(0.44)	0.02	(2.07)

(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 2020 and the accompanying explanatory notes attached to the interim financial statements.)

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**FOR THE QUARTER ENDED 31 DECEMBER 2020**

	<b>(UNAUDITED)</b>	<b>(AUDITED)</b>
	<b>As at</b>	<b>As at</b>
	<b>31 December 2020</b>	<b>31 March 2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property and equipment	5,704	6,058
Investment properties	10,839	8,323
Right-of-use assets	7,948	9,761
Land held for property development	14,215	14,200
Other investment	2,500	-
Goodwill on consolidation	5,774	5,774
	<b>46,980</b>	<b>44,116</b>
<b>Current Assets</b>		
Inventories	18,144	15,507
Property development costs	124,911	115,381
Trade and other receivables	83,558	32,586
Contract assets	3,654	4,986
Current tax assets	360	948
Short-term investments	38,632	26,287
Cash and bank balances	14,503	18,596
	283,762	214,291
Asset classified as held for sale	-	7,951
	<b>283,762</b>	<b>222,242</b>
<b>TOTAL ASSETS</b>	<b>330,742</b>	<b>266,358</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	182,856	83,687
Reserves	1,173	37,214
Equity attributable to owners of the Company	184,029	120,901
Non-controlling interests	(52)	(63)
<b>TOTAL EQUITY</b>	<b>183,977</b>	<b>120,838</b>
<b>Non-Current Liabilities</b>		
Lease liabilities	3,590	5,168
Deferred tax liabilities	4,400	4,393
	<b>7,990</b>	<b>9,561</b>
<b>Current Liabilities</b>		
Trade and other payables and provision	80,994	71,395
Lease liabilities	2,046	2,045
Term loans	55,520	62,204
Current tax liabilities	215	315
	138,775	135,959
<b>TOTAL LIABILITIES</b>	<b>146,765</b>	<b>145,520</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>330,742</b>	<b>266,358</b>
<b>Net assets per share (sen)</b>	15.34	25.09

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2020 and the accompanying explanatory notes attached to the interim financial statements.)

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE THREE (9) MONTHS ENDED 31 DECEMBER 2020**

	Share Capital RM'000	Irredeemable Convertible Preference Shares ("ICPS") RM'000	Share Application Money RM'000	Non-Distributable Warrants Reserve RM'000	Distributable Retained Profits /(Accumulated Losses) RM'000	Attributable To Owners of the Company RM'000	Non- Controlling Interests RM'000	Total RM'000
<b>9 months ended 31 December 2019</b>								
Balance as at 1 April 2019	65,121	-	-	-	6,367	71,488	(33)	71,455
Contributions by owners of the Company:								
- Rights Issue of Shares with Warrants B	2,024	-	-	7,124	-	9,148	-	9,148
- Rights Issue of ICPS	-	45,741	-	-	-	45,741	-	45,741
- Conversion of ICPS	8,458	(3,207)	-	-	-	5,251	-	5,251
- Exercise of Warrants B	440	-	-	(193)	-	247	-	247
- Share issuance expenses	(1,082)	-	-	-	-	(1,082)	-	(1,082)
	9,840	42,534	-	6,931	-	59,305	-	59,305
Changes in a subsidiary's ownership interests that do not result in a loss of control	-	-	-	-	(3,587)	(3,587)	187	(3,400)
Total transaction with owners	9,840	42,534	-	6,931	(3,587)	55,718	187	55,905
Acquisition of a subsidiary	-	-	-	-	-	-	(11)	(11)
Disposal of a subsidiary	-	-	-	-	-	-	109	109
Loss after taxation for the 9 months ended 31 December 2019	-	-	-	-	(7,951)	(7,951)	(254)	(8,205)
Balance as at 31 December 2019	74,961	42,534	-	6,931	(5,171)	119,255	(2)	119,253
<b>9 months ended 31 December 2020</b>								
Balance as at 1 April 2020	83,687	34,130	5,500	6,897	(9,313)	120,901	(63)	120,838
Contribution by owners of the Company:								
- Conversion of ICPS	91,312	(30,717)	(5,500)	-	-	55,095	-	55,095
- Issuance of ordinary shares pursuant to Private Placement 1	7,962	-	-	-	-	7,962	-	7,962
- Expenses incurred pursuant to Private Placement 1	(105)	-	-	-	-	(105)	-	(105)
Total transaction with owners	99,169	(30,717)	(5,500)	-	-	62,952	-	62,952
Profit after taxation for the 9 months ended 31 December 2020	-	-	-	-	176	176	11	187
Balance as at 31 December 2020	182,856	3,413	-	6,897	(9,137)	184,029	(52)	183,977

(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 2020 and the accompanying explanatory notes attached to the interim financial statements.)

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**  
**FOR THE THREE (9) MONTHS ENDED 31 DECEMBER 2020**

	(UNAUDITED) CURRENT PERIOD-TO-DATE 9 MONTHS ENDED 31 December 2020 RM'000	(UNAUDITED) CORRESPONDING PERIOD-TO-DATE 9 MONTHS ENDED 31 December 2019 RM'000
<b>CASH FLOW FOR OPERATING ACTIVITIES</b>		
<b>Profit/(Loss) before taxation</b>	2,369	(7,899)
Adjustments for non-cash items:		
Bad debts written off	-	10
Deposit written off	-	-*
Depreciation of property and equipment	656	978
Depreciation of right-of-use assets	1,724	-
Depreciation of investment properties	94	192
Equipment written off	6	98
Loss on disposal of a subsidiary	-	116
Realisation of fair value arising from the acquisition of a subsidiary	-	430
Interest expense	5,316	5,503
Interest expense on lease liabilities	416	-
Gain on disposal of an investment property	(2,543)	-
Interest income	(820)	(1,187)
Reversal of provision for liquidated ascertained damages	(1,134)	-
Net realisation of fair value arising from the acquisition of a subsidiary	49	-
Operating profit/(loss) before changes in working capital	6,133	(1,759)
Net change in inventories	(2,637)	20
Net change in trade & other receivables	(50,970)	(3,913)
Net change in contract assets	1,335	-
Net change in trade & other payables	8,842	(297)
Cash flow for operations	(37,297)	(5,949)
Net income tax (paid)/refunded	(1,100)	110
Interest received	809	866
<b>Net cash for operating activities</b>	(37,588)	(4,973)
<b>CASH FLOW FOR INVESTING ACTIVITIES</b>		
Interest income received	11	321
Purchase of equipment	(240)	(969)
Purchase of other investment	(2,500)	-
Development costs paid	(9,521)	(11,903)
Proceeds from disposal of an investment property, net of fee and tax	9,900	-
Acquisition of subsidiaries, net of cash and cash equivalents acquired	(2,642)	(1,576)
Additional investment in an existing subsidiary	-	(3,400)
Disposal of a subsidiary, net of cash and cash equivalents disposed of	-	(10)
<b>Net cash for investing activities</b>	(4,992)	(17,537)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Rights Issue of ICPS	-	45,741
Proceeds from Rights Issue of Shares with Warrants B	-	9,148
Proceeds from conversion of ICPS	55,095	5,251
Proceeds from Private Placement 1	7,962	-
Share issuance expenses	(105)	(1,082)
Proceeds from exercise of Warrants B	-	247
Interest paid	(6,211)	(4,152)
Net repayment of lease liabilities	(1,488)	(47)
Repayment of term loans	(4,421)	-
<b>Net cash from financing activities</b>	50,832	55,106
NET CHANGE IN CASH AND CASH EQUIVALENTS	8,252	32,596
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	44,883	16,387
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<b>53,135</b>	<b>48,983</b>

Note:-

\* - Amount less than RM1,000

**Note 1**

**Cash and Cash Equivalents at End of the Financial Period comprised:**

	31 December 2020 RM'000
Short-term investments	38,632
Cash and bank balances	14,503
	<b>53,135</b>

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2020 and the accompanying explanatory notes attached to the interim financial statements.)

# VORTEX CONSOLIDATED BERHAD (“Vortex” or “the Company”)

[Company No. 199601010679 (383028-D)]

(Incorporated in Malaysia)

## NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2020

### 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 (“ACE LR”) 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 2020. 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 2020.

##### 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 2020 except for the adoption of the following:-

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

- Amendments to MFRS 3: Definition of a Business
- Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform
- Amendments to MFRS 101 and MFRS 108: Definition of Material
- Amendments to References to the Conceptual Framework in MFRS Standards

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.

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 17 Insurance Contracts
- Amendments to MFRS 3: Reference to the Conceptual Framework
- Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to MFRS 16: Covid19 - Related Rent Concessions
- Amendments to MFRS 101: Classification of Liabilities as Current or Non-current
- 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 – 2020

## **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 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 2020 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.

#### **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.

During the quarter under review, there was no conversion of ICPS and no Warrants B were exercised.

As at 31 December 2020, the outstanding ICPS and Warrants B of the Company is 68,251,151 and 59,053,778 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.

## **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 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”); and
- (vi) 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	Investment Holding Division RM'000	The Group RM'000
<b>Current quarter ended</b>							
<b>31 December 2020</b>							
<b>Revenue</b>							
External revenue	50,154	-	45	784	1,030	219	52,232
Inter-segment revenue	1	-	-	-	-	-	1
	<u>50,155</u>	<u>-</u>	<u>45</u>	<u>784</u>	<u>1,030</u>	<u>219</u>	<u>52,233</u>
Consolidation adjustment							(1)
Consolidated revenue							<u>52,232</u>
<b>Results</b>							
Segment results	1,704	(128)	(13)	164	518	(81)	2,164
Interest income	1	-*	-	1	2	-	4
Reversal of provision for liquidated ascertained damages	-	-	-	49	-	-	49
Net realisation of fair value arising from the acquisition of a subsidiary	-	-	-	(68)	-	-	(68)
Depreciation of property and equipment	(182)	-*	(2)	(8)	(13)	(18)	(223)
Depreciation of right-of-use assets	(521)	-	-	-	(25)	(13)	(559)
Depreciation of investment properties	-	-	(40)	-	-	-	(40)
Interest expense	-	-	-	(936)	-	-	(936)
Interest expense on lease liabilities	(120)	-	-	-	(4)	-	(124)
Late payment interest on a trade payable	-	-	-	(521)	-	-	(521)
Consolidated profit/(loss) before taxation	<u>882</u>	<u>(128)</u>	<u>(55)</u>	<u>(1,319)</u>	<u>478</u>	<u>(112)</u>	<u>(254)</u>
Tax expense	(167)	-	(17)	11	(222)	(1)	(396)
Consolidated profit/(loss) after taxation	<u>715</u>	<u>(128)</u>	<u>(72)</u>	<u>(1,308)</u>	<u>256</u>	<u>(113)</u>	<u>(650)</u>
<b>Assets</b>							
Segment assets/Consolidated total assets	51,479	388	10,984	145,232	78,365	44,294	<u>330,742</u>
<b>Liabilities</b>							
Segment liabilities/Consolidated total liabilities	33,109	27	69	112,649	756	155	<u>146,765</u>

Note:-

\*- 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</b>							
<b>31 December 2019</b>							
<b>Revenue</b>							
External revenue	39,550	-	133	1,273	726	401	42,083
Inter-segment revenue	1	-	-	-	-	-	1
	<u>39,551</u>	<u>-</u>	<u>133</u>	<u>1,273</u>	<u>726</u>	<u>401</u>	<u>42,084</u>
Consolidation adjustments							(1)
Consolidated revenue							<u>42,083</u>
<b>Results</b>							
Segment results	325	(163)	(8)	229	224	253	860
Interest income	2	308	-	1	-	-	311
Depreciation of property and equipment	(296)	-*	-	(7)	(6)	(26)	(335)
Depreciation of investment properties	-	-	(64)	-	-	-	(64)
Interest expense	(3)	-	-	(2,336)	-	-	(2,339)
Loss on disposal of a subsidiary	(116)	-	-	-	-	-	(116)
Realisation of fair value arising from the acquisition of a subsidiary	-	-	-	(34)	-	-	(34)
Consolidated (loss)/profit before taxation	<u>(88)</u>	<u>145</u>	<u>(72)</u>	<u>(2,147)</u>	<u>218</u>	<u>227</u>	<u>(1,717)</u>
Tax expense	85	(81)	-	(172)	-*	10	(158)
Consolidated (loss)/profit after taxation	<u>(3)</u>	<u>64</u>	<u>(72)</u>	<u>(2,319)</u>	<u>218</u>	<u>237</u>	<u>(1,875)</u>
<b>Assets</b>							
Segment assets/Consolidated total assets	46,722	1,280	16,516	123,682	20,086	39,226	<u>247,512</u>
<b>Liabilities</b>							
Segment liabilities/Consolidated total liabilities	30,082	303	118	97,554	47	155	<u>128,259</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 17 February 2021, 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:-

- (a) On behalf of the Board of Directors (“Board”), TA Securities Holdings Berhad (“TA Securities”) has on 9 December 2020 announced that Bursa Securities had, vide its letter dated 8 December 2020, resolved to approve the following:
- (i) proposed consolidation of every 4 existing ordinary shares in Vortex (“Vortex Shares”) into 1 Vortex Share (“Proposed Share Consolidation”);
  - (ii) admission to the Official List and the listing and quotation of up to 296,675,311 warrants (“Warrants C”) to be issued pursuant to the proposed renounceable rights issue of up to 370,844,139 new Vortex Shares (“Rights Shares”) on the basis of 1 Rights Share for every 1 Vortex Share held on an entitlement date to be determined later (“Proposed Rights Issue”); and
  - (iii) listing of:
    - (1) up to 370,844,139 Rights Shares to be issued pursuant to the Proposed Rights Issue;
    - (2) up to 3,745,948 additional Warrants B to be issued resulting from the adjustments (“Additional Warrants B”);
    - (3) up to 4,329,364 additional ICPS to be issued resulting from the adjustments (“Additional ICPS”);
    - (4) up to 3,745,948 new Vortex Shares to be issued pursuant to the exercise of the Additional Warrants B;
    - (5) up to 4,329,364 new Vortex Shares to be issued pursuant to the conversion of the Additional ICPS; and
    - (6) up to 296,675,311 new Vortex Shares to be issued pursuant to the exercise of Warrants C.

The approval granted by Bursa Securities for the Proposed Share Consolidation and Proposed Rights Issue are subject to the following conditions:

- (i) Vortex and TA Securities is required to make the relevant announcements pursuant to Rule 13.20(2) of the ACE LR for the Proposed Share Consolidation;
- (ii) Vortex and TA Securities must fully comply with the relevant provisions under the ACE LR pertaining to the implementation of the Proposed Share Consolidation and Proposed Rights Issue;
- (iii) Vortex and TA Securities to inform Bursa Securities upon the completion of the Proposed Amendment (as hereunder defined), Proposed Share Consolidation and Proposed Rights Issue;

## 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 (Cont’d)**

- (iv) Vortex to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities’ approval once the proposed amendments to the Company’s Constitution to facilitate the adjustments to the ICPS in the Company pursuant to the Proposed Share Consolidation and Proposed Rights Issue (“Proposed Amendment”), Proposed Share Consolidation and Proposed Rights Issue are completed; and
  - (v) Vortex to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of Warrants C as at the end of each quarter together with a detailed computation of listing fees payable.
- (b) On behalf of Vortex, TA Securities has on 28 December 2020 announced that the Board has fixed the issue price for 130,879,700 new Vortex Shares (“Placement Shares”) to be issued pursuant to a private placement at RM0.0460 per Placement Share (“Proposed Private Placement 2”).
- (c) The Proposed Private Placement 2 has been completed following the listing of and quotation for the Placement Shares on the ACE Market of Bursa Securities on 8 January 2021.
- (d) The shareholders had via an Extraordinary General Meeting held by the Company on 15 January 2021, approved the following resolutions:
- (i) Proposed Share Consolidation;
  - (ii) Proposed Rights Issue;
  - (iii) Proposed Amendment; and
  - (iv) Proposed other amendments to the Constitution of Vortex.
- (e) The Company has on 18 January 2021 fixed the entitlement date for the Proposed Share Consolidation on 3 February 2021.
- (f) The Proposed Share Consolidation has been completed following the listing of and quotation for 332,652,376 consolidated Vortex Shares, 17,062,777 consolidated ICPS and 14,763,424 consolidated Warrants B on the ACE Market of Bursa Securities on 4 February 2021.

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

Save as disclosed below, there were no changes in the composition of the Group during the current financial period under review.

On 21 October 2020, the Company completed its acquisition of the entire issued and paid-up share capital of Firstwide Success Sdn Bhd (“FSSB”). FSSB is a direct wholly-owned subsidiary of the Company.

## Part A

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

#### 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 17 February 2021 (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 17 February 2021 (the latest practicable date not earlier than seven (7) days from the date of issue of this report).

#### A14. Related Party Transactions

The Group’s related party transactions are as follows:

	Individual Quarter		Cumulative Period	
	Current Year Quarter 31 December 2020 RM000	Preceding Year Corresponding Quarter 31 December 2019 RM000	Current Year To-date 31 December 2020 RM000	Preceding Year Corresponding Period 31 December 2019 RM000
Professional services rendered by a company in which a director is a common director and has substantial financial interests	11	12	56	12
Subscription fee for accounting charged to a company in which a director is a common director	4	3	11	11
Fees charged for services rendered by a company in which a director is a common director and has financial interests	240	-	240	-
Key management personnel:-				
- salaries and allowances	284	313	632	919
- defined contribution plans	34	37	75	109
- others	1	1	2	3
- fee	72	90	215	265

#### 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	
	31.12.2020 RM'000	31.12.2019 RM'000		31.12.2020 RM'000	31.12.2019 RM'000	
<b>Revenue:-</b>						
IT and ICT Division	50,154	39,550	26.8	134,884	107,961	24.9
Construction Division	-	-	-	-	-	-
Property Investment Division	45	133	(66.2)	161	398	(59.5)
Property Development Division	784	1,273	(38.4)	(484)	2,806	(117.2)
Moneylending Business Division	1,030	726	41.9	3,573	777	359.8
Investment Holding Division	219	401	(45.4)	809	866	(6.6)
	<b>52,232</b>	<b>42,083</b>	<b>24.1</b>	<b>138,943</b>	<b>112,808</b>	<b>23.2</b>
<b>Profit/(Loss) before taxation ("PBT/(LBT)"):-</b>						
IT and ICT Division	882	(88)	1,102.3	2,759	(328)	941.2
Construction Division	(128)	145	(188.3)	(420)	(168)	150.0
Property Investment Division	(55)	(72)	(23.6)	2,361	(274)	961.7
Property Development Division	(1,319)	(2,147)	(38.6)	(4,366)	(6,681)	(34.7)
Moneylending Business Division	478	218	119.3	2,415	(529)	556.5
Investment Holding Division	(112)	227	(149.3)	(380)	81	(569.1)
	<b>(254)</b>	<b>(1,717)</b>	<b>(85.2)</b>	<b>2,369</b>	<b>(7,899)</b>	<b>130.0</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

Overall, the Group's revenue for the current quarter as compared to the preceding year corresponding quarter has increased due to the increase in revenue in IT and ICT Division and Moneylending Business Division. The increase in revenue from IT and ICT division was mainly due to the increase of sales for notebooks and Do-It-Yourself ("DIY") products. The increase in revenue in the Moneylending Business Division in the current quarter is mainly due to the increase of loans to customers which increase the interest income earned.

The Group has recorded a lower LBT in the current quarter mainly due to the improvement of performance in the IT and ICT division and lesser finance costs incurred in the Property Development Division.

##### IT and ICT Division

The increase in revenue and profit for the current quarter under review as compared to the preceding year corresponding quarter was mainly due to the increase in revenue as explained above.

##### Construction Division

The loss in the current quarter was mainly due to the fixed cost incurred.

The profit recorded in the preceding year corresponding quarter was mainly due to an interest income arising from the reversal of fair value adjustment made on a debtor balance upon its settlement.

##### Property Investment Division

The decrease in rental income in the current quarter and current year to-date as compared to the preceding year corresponding quarter and preceding year corresponding period respectively, was mainly due to the disposal of an investment property and expiry of a tenancy agreement with no renewal.

The profit recorded in the current year to-date was mainly due to the gain from the disposal of an investment property in the first quarter ended 30 June 2020.

##### 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 decrease in revenue for the current quarter and the current year to-date was mainly due to the revocation of units sold by existing purchasers.

The decrease in loss in the current quarter under review as compared to the preceding year corresponding quarter was mainly due to the decrease of finance costs.

##### Moneylending Business Division

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

The increase in revenue and profit in the current quarter as compared to the preceding year corresponding quarter was mainly due to the increase in revenue as explained above.

## Part B

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

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

##### Moneylending Business Division (Cont'd)

The increase in revenue and profit in the current year to-date and preceding year corresponding period was mainly due to the moneylending business operation only commenced in September 2019.

##### Investment Holding Division

The decrease in revenue and loss in the current quarter as compared to the preceding year corresponding quarter was mainly due to the lesser interest income received from short-term investments.

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

	Current Quarter 31.12.2020 RM'000	Immediate Preceding Quarter 30.9.2020 RM'000	Changes %
<b>Revenue:-</b>			
IT and ICT Division	50,154	47,658	5.2
Construction Division	-	-	-
Property Investment Division	45	30	50.0
Property Development Division	784	(1,260)	162.2
Moneylending Business Division	1,030	1,015	1.5
Investment Holding Division	219	347	(36.9)
	<b>52,232</b>	<b>47,790</b>	<b>9.3</b>
<b>PBT/(LBT):-</b>			
IT and ICT Division	882	1,335	(33.9)
Construction Division	(128)	(159)	(19.5)
Property Investment Division	(55)	(90)	(38.9)
Property Development Division	(1,319)	(742)	77.8
Moneylending Business Division	478	954	(49.9)
Investment Holding Division	(112)	82	(236.6)
	<b>(254)</b>	<b>1,380</b>	<b>(118.4)</b>

##### Overall Performance

Overall, the Group's revenue for the current quarter as compared to the immediate preceding quarter has increased mainly due to the increase in revenue from IT and ICT Division. The increase in revenue from IT and ICT division was mainly due to the increase of sales for gadgets and networking products.

The Group has recorded a LBT in the current quarter mainly due to the higher operating expenses incurred in IT and ICT division and lesser reversal of the provision for liquidated ascertained damages for the revoked units in the Property Development Division in the current quarter.

##### IT and ICT Division

The increase in revenue during the current quarter under review was mainly due to the increase in demand for gadgets and networking products.

The decrease in PBT in the current quarter as compared to the immediate preceding quarter was mainly due to the higher staff costs and selling and distribution costs incurred.



## 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)**

##### Construction Division

The loss recorded in both quarters was mainly due to the fixed cost incurred in this division.

##### Property Investment Division

The loss recorded in both quarters was mainly due to the rental income earned not sufficient to cover the operating expenses incurred in this division.

##### Property Development Division

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

The increase in loss in the current quarter as compared to the immediate preceding quarter was mainly due to the lower reversal of the provision for liquidated ascertained damages for the revoked units in the current quarter.

##### Moneylending Business Division

The decrease in PBT in the current quarter was mainly due to the higher staff costs and operating expenses incurred.

##### Investment Holding Division

The decrease of revenue and PBT in the current quarter was mainly due to the lesser interest income earned and higher staff costs incurred in this division.

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

The Group 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 or consumer spending. Other than the core business, the Group's other businesses also include property development, construction and investment and moneylending services. These businesses enable the Group to diversify its revenue source and income streams.

The Board looking at the current economic sentiment, has never ceased to explore other businesses to seek for more opportunities. We take each opportunity on a case-by-case basis and will assess all factors and angles before deciding to undertake any such opportunity. We are mindful of our stakeholders' interests and will undertake any new ventures on a conservative basis.

Moving forward, the Board is hopeful that with the impending vaccination roll-out, general well being of the retail or consumer spending will increase and other industries or sectors will start moving back towards pre-pandemic level. Nevertheless, the Group will uphold its stance to remain cautious and pennywise in our approach and ventures.

## 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 period under review.

#### B5. Tax Expense

The tax expense is as follows:

	Individual Quarter		Cumulative Period	
	Current Year Quarter 31.12.2020 RM'000	Preceding Corresponding Quarter 31.12.2019 RM'000	Current Year To-date 31.12.2020 RM'000	Preceding Year Corresponding Period 31.12.2019 RM'000
Current tax expense:				
- For the current financial period	(313)	96	(1,488)	(146)
- Underprovision in the previous financial year	(93)	(262)	(93)	(263)
	<u>(406)</u>	<u>(166)</u>	<u>(1,581)</u>	<u>(409)</u>
Deferred tax expense:				
- For the current financial period	10	8	(7)	103
	<u>(396)</u>	<u>(158)</u>	<u>(1,588)</u>	<u>(306)</u>
Real Property Gains Tax	-	-	(594)	-
	<u>(396)</u>	<u>(158)</u>	<u>(2,182)</u>	<u>(306)</u>

#### B6. Status of Corporate Proposals

There were no corporate proposals as at 17 February 2021 (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 Rights Issue as mentioned in A10(a)(ii) 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, 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 31 December 2020, the status of the utilisation of proceeds raised from the Rights Issues I taking into consideration the variation approved on 25 July 2019 are as follows:-

Utilisation of proceeds	Utilisation of proceeds after the variation (RM'000)	Amount utilised at 31 December 2020 (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	23,189	(839)	22,350	Within 48 months*
Working capital for moneylending business	20,000	(20,000)	-	Within 12 months^
Future projects and/or acquisitions	6,500	(6,123)	377	Within 36 months*
Working capital	4,118 <sup>#</sup>	(4,118)	-	Within 24 months*
Estimated expenses in relation to the corporate exercises	1,082 <sup>#</sup>	(1,082)	-	-
<b>Total</b>	<b>54,889</b>	<b>(32,162)</b>	<b>22,727</b>	

#### Notes:

\* From 15 May 2019 (being the date of completion of the Rights Issues 1).

^ 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.

**Part B****Explanatory Notes Pursuant To Paragraph 9.22 of the Listing Requirements (Cont'd)****B7. Utilisation of Proceeds (Cont'd)**Private Placement 1

On 25 September 2020, the Company has completed a private placement of 109,066,400 new Vortex Shares at an issue price of RM0.073 each following the listing of 109,066,400 new Vortex Shares in the ACE Market of Bursa Securities (Private Placement 1).

At 31 December 2020, the status of the utilisation of proceeds raised from Private Placement 1 is as follows:-

Utilisation of proceeds	Utilisation of proceeds (RM'000)	Amount utilised at 31 December 2020 (RM'000)	Balance of proceeds (RM'000)	Timeframe for utilisation*
	(A)	(B)	(A-B)	
Partial repayment of bank borrowings <sup>(1)</sup>	7,857	(7,179)	678	Within 12 months*
Expenses in relation to the Private Placement 1	105	(105)	-	Within 1 month
<b>TOTAL</b>	<b>7,962</b>	<b>(7,284)</b>	<b>678</b>	

Notes:

\* From 25 September 2020 (being the date of completion of the Private Placement 1).

<sup>(1)</sup> The proceeds shall be utilised to repay the credit facilities granted by a financial institution to a subsidiary of the Company.

## 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:

	<b>As at 31.12.2020</b>	<b>As at 31.12.2019</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Current</b>		
Hire purchase payables	-	61
Lease liabilities	2,046	-
Term loans	55,520	13,259
	<hr/>	<hr/>
	57,566	13,320
	<hr/>	<hr/>
<b>Non-current</b>		
Hire purchase payables	-	179
Lease liabilities	3,590	-
Term loans	-	48,000
	<hr/>	<hr/>
	3,590	48,179
	<hr/>	<hr/>
	61,156	61,499
	<hr/>	<hr/>

A subsidiary of the Company has entered into supplemental loan agreements with a financial institution on 18 September 2020 to restructure its credit facilities which among other things, include revised repayment schedules, extension of maturity dates and revised interest rates. The revised repayment schedule will be commenced in January 2021 and fully repayable by December 2021. The effective interest rate has also been revised from 8.75% to 7% per annum.

#### **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.

**Part B****Explanatory Notes Pursuant To Paragraph 9.22 of the Listing Requirements (Cont'd)****B12. (Loss)/Earnings per Share**

The basic (loss)/earnings per share was calculated by dividing the (loss)/profit 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:

	Individual Quarter		Cumulative Period	
	Current Year Quarter 31.12.2020	Preceding Year Corresponding Quarter 31.12.2019	Current Year To-date 31.12.2020	Preceding Year Corresponding Period 31.12.2019
(Loss)/Profit after taxation attributable to the owners of the Company (RM'000)	(636)	(1,836)	176	(7,951)
Weighted average number of ordinary shares in issue	1,199,730,927	412,962,916	1,018,596,031	383,919,858
Basic (loss)/earnings per share (sen)	(0.05)	(0.44)	0.02	(2.07)
Diluted (loss)/earnings per share (sen)	(0.05)	(0.44)	0.02	(2.07)

**B13. Notes to the Statement of Profit or Loss and Other Comprehensive Income**

	Individual Quarter		Cumulative Period	
	Current Year Quarter 31.12.2020 RM'000	Preceding Year Corresponding Quarter 31.12.2019 RM'000	Current Year To-date 31.12.2020 RM'000	Preceding Year Corresponding Period 31.12.2019 RM'000
Interest income	223	712	820	1,187
Interest expense	936	2,339	3,532	5,503
Late payment interest on a trade payable	521	-	1,784	-
Interest expense on lease liabilities	124	-	416	-
Bad debts written off	-	-	-	10
Depreciation of property and equipment	223	335	656	978
Depreciation of investment properties	40	64	94	192
Depreciation of right-of-use assets	559	-	1,724	-
Deposit written off	-	-	-	_*
Equipment written off	-	-	6	98
Loss on disposal of a subsidiary	-	116	-	116
Realisation of fair value arising from the acquisition of a subsidiary	-	34	-	430
Net realisation of fair value arising from the acquisition of a subsidiary	68	-	49	-
Reversal of provision for liquidated ascertained damages	49	-	1,134	-
Gain on disposal of an investment property	-	-	2,543	-

Note:-

\* - Amount less than RM1,000

**Part B**

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

**B14. Authorisation for issue**

The interim financial statements were authorised for issue by the Board in accordance with a resolution of the directors dated 26 February 2021.