



# **VORTEX CONSOLIDATED BERHAD**

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

**Year 2021**

**Quarterly Announcement  
For The Quarter Ended 31 March 2021**

**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 MARCH 2021**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year Quarter 31 March 2021 (Unaudited) RM'000	Preceding Year Corresponding Quarter 31 March 2020 (Unaudited) RM'000	Current Year To-date 31 March 2021 (Unaudited) RM'000	Preceding Year Corresponding Period 31 March 2020 (Unaudited) RM'000
Revenue	46,899	29,975	185,842	142,783
Cost of sales	(40,496)	(26,340)	(161,761)	(126,760)
<b>Gross profit</b>	<b>6,403</b>	<b>3,635</b>	<b>24,081</b>	<b>16,023</b>
Other income	584	3,126	3,966	3,450
	6,987	6,761	28,047	19,473
<b>Operating expenses</b>	<b>(17,371)</b>	<b>(8,476)</b>	<b>(30,330)</b>	<b>(23,584)</b>
<b>Finance costs</b>	<b>(1,503)</b>	<b>(2,106)</b>	<b>(7,235)</b>	<b>(7,609)</b>
<b>Loss before taxation</b>	<b>(11,887)</b>	<b>(3,821)</b>	<b>(9,518)</b>	<b>(11,720)</b>
<b>Tax expense</b>	<b>339</b>	<b>(393)</b>	<b>(1,843)</b>	<b>(699)</b>
<b>Loss after taxation/ Total comprehensive expenses</b>	<b>(11,548)</b>	<b>(4,214)</b>	<b>(11,361)</b>	<b>(12,419)</b>
<b>(Loss)/Profit after taxation attributable to:-</b>				
Owners of the Company	(11,562)	(4,243)	(11,386)	(12,194)
Non-controlling interests	14	29	25	(225)
	<b>(11,548)</b>	<b>(4,214)</b>	<b>(11,361)</b>	<b>(12,419)</b>
<b>Total comprehensive (expenses)/income attributable to:-</b>				
Owners of the Company	(11,562)	(4,243)	(11,386)	(12,194)
Non-controlling interests	14	29	25	(225)
	<b>(11,548)</b>	<b>(4,214)</b>	<b>(11,361)</b>	<b>(12,419)</b>
<b>Loss per share [LPS] (in sen)</b>				
Basic LPS	(1.67)	(0.92)	(1.21)	(3.02)
Diluted LPS	(1.67)	(0.92)	(1.21)	(3.02)

(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 MARCH 2021**

	<b>(UNAUDITED)</b>	<b>(AUDITED)</b>
	<b>As at</b>	<b>As at</b>
	<b>31 March 2021</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	5,521	6,058
Investment properties	10,800	8,323
Right-of-use assets	7,762	9,761
Land held for property development	11,133	14,200
Other investment	2,500	-
Goodwill on consolidation	5,774	5,774
	<b>43,490</b>	<b>44,116</b>
<b>Current Assets</b>		
Inventories	19,559	15,507
Property development costs	131,158	115,381
Trade and other receivables	72,099	32,586
Contract assets	-	4,986
Current tax assets	1,479	948
Short-term investments	40,298	26,287
Cash and bank balances	10,163	18,596
	274,756	214,291
Asset classified as held for sale	-	7,951
	<b>274,756</b>	<b>222,242</b>
<b>TOTAL ASSETS</b>	<b>318,246</b>	<b>266,358</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	188,775	83,687
Reserves	(10,389)	37,214
Equity attributable to owners of the Company	178,386	120,901
Non-controlling interests	545	(63)
<b>TOTAL EQUITY</b>	<b>178,931</b>	<b>120,838</b>
<b>Non-Current Liabilities</b>		
Lease liabilities	3,436	5,168
Deferred tax liabilities	5,114	4,393
	<b>8,550</b>	<b>9,561</b>
<b>Current Liabilities</b>		
Trade and other payables and provision	77,219	71,395
Lease liabilities	2,051	2,045
Contract liability	3,417	-
Term loans	48,078	62,204
Current tax liabilities	-	315
	130,765	135,959
<b>TOTAL LIABILITIES</b>	<b>139,315</b>	<b>145,520</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>318,246</b>	<b>266,358</b>
<b>Net assets per share (sen)</b>	53.63	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 TWELVE (12) MONTHS ENDED 31 MARCH 2021**

	Share Capital	Irredeemable Convertible Preference Shares ("ICPS")	Share Application Money	Non-Distributable Warrants Reserve	Distributable Retained Profits /(Accumulated Losses)	Attributable To Owners of the Company	Non- Controlling Interests	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>12 months ended 31 March 2020</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	2,025	-	-	7,123	-	9,148	-	9,148
- Rights Issue of ICPS	-	45,741	-	-	-	45,741	-	45,741
- Conversion of ICPS	17,107	(11,611)	-	-	-	5,496	-	5,496
- Exercise of Warrants B	516	-	-	(226)	-	290	-	290
- Share issuance expenses	(1,082)	-	-	-	-	(1,082)	-	(1,082)
- Share application money	-	-	5,500	-	-	5,500	-	5,500
Changes in a subsidiary's ownership interest that do not result in a loss of control	-	-	-	-	(3,486)	(3,486)	86	(3,400)
Total transaction with owners	18,566	34,130	5,500	6,897	(3,486)	61,607	86	61,693
Disposal of a subsidiary	-	-	-	-	-	-	109	109
Loss after taxation for the 12 months ended 31 March 2020	-	-	-	-	(12,194)	(12,194)	(225)	(12,419)
Balance as at 31 March 2020	<u>83,687</u>	<u>34,130</u>	<u>5,500</u>	<u>6,897</u>	<u>(9,313)</u>	<u>120,901</u>	<u>(63)</u>	<u>120,838</u>
<b>12 months ended 31 March 2021</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 I	7,962	-	-	-	-	7,962	-	7,962
Private Placement II	6,020	-	-	-	-	6,020	-	6,020
- Expenses incurred pursuant to:-								
Private Placement I	(105)	-	-	-	-	(105)	-	(105)
Private Placement II	(101)	-	-	-	-	(101)	-	(101)
Changes in a subsidiary's ownership interest that do not result in a loss of control	-	-	-	-	-	-	583	583
Total transaction with owners	105,088	(30,717)	(5,500)	-	-	68,871	583	69,454
Loss after taxation for the 12 months ended 31 March 2021	-	-	-	-	(11,386)	(11,386)	25	(11,361)
Balance as at 31 March 2021	<u>188,775</u>	<u>3,413</u>	<u>-</u>	<u>6,897</u>	<u>(20,699)</u>	<u>178,386</u>	<u>545</u>	<u>178,931</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 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 TWELVE (12) MONTHS ENDED 31 MARCH 2021**

	(UNAUDITED) CURRENT PERIOD-TO-DATE 12 MONTHS ENDED 31 March 2021	(UNAUDITED) CORRESPONDING PERIOD-TO-DATE 12 MONTHS ENDED 31 March 2020
Note	RM'000	RM'000
<b>CASH FLOW FOR OPERATING ACTIVITIES</b>		
<b>Loss before taxation</b>	(9,518)	(11,720)
Adjustments for non-cash items:		
Bad debts written off	-	10
Deposit written off	-	-
Depreciation of property and equipment	872	1,064
Depreciation of right-of-use assets	2,279	2,305
Depreciation of investment properties	134	251
Equipment written off	13	109
Impairment loss on a trade receivable	6,470	-
Impairment loss on land held for development	3,277	-
Loss on disposal of a subsidiary	-	116
Net realisation of fair value arising from the acquisition of a subsidiary	(405)	1,480
Interest expense	6,691	7,129
Interest expense on lease liabilities	544	700
Provision for liquidated ascertained damages	-	3,168
Gain on disposal of an investment property	(2,543)	-
Interest income	(991)	(1,451)
Gain on modification of leases	(19)	-
Bargain purchase gain on acquisition of a subsidiary	-	(3,032)
Reversal of impairment losses on trade receivables	-	(10)
Operating profit before changes in working capital	6,804	119
Net change in inventories	(4,052)	3,119
Net change in trade & other receivables	(45,982)	(6,742)
Net change in contract assets/liability	8,931	-
Net change in trade & other payables	5,248	(278)
Cash flow for operations	(29,051)	(3,782)
Net income tax (paid)/refunded	(1,381)	338
Interest received	977	1,125
<b>Net cash for operating activities</b>	(29,455)	(2,319)
<b>CASH FLOW FOR INVESTING ACTIVITIES</b>		
Interest income received	14	17
Addition to right-of-use assets	(547)	-
Purchase of equipment	(280)	(1,333)
Purchase of other investment	(2,500)	-
Development costs paid	(16,007)	(18,979)
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)
Proceeds on disposal of a partial interest in a subsidiary that does not involve loss of control	583	-
<b>Net cash for investing activities</b>	(11,479)	(25,281)
<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	10,996
Proceeds from Private Placement I	7,962	-
Proceeds from Private Placement II	6,020	-
Share issuance expenses	(206)	(1,082)
Proceeds from exercise of Warrants B	-	290
Interest paid	(9,055)	(6,556)
Net repayment of lease liabilities	(1,440)	(1,970)
Repayment of term loans	(11,864)	(471)
<b>Net cash from financing activities</b>	46,512	56,096
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	5,578	28,496
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>	44,883	16,387
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>	<b>50,461</b>	<b>44,883</b>

Note:-

\* - Amount less than RM1,000

31 March 2021

RM'000

**Note 1**

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

Short-term investments	40,298
Cash and bank balances	10,163
	<b>50,461</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 MARCH 2021

### 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.

Following the consolidation of every 4 existing ordinary shares in Vortex (“Vortex Shares”) into 1 Vortex Share which was completed on 4 February 2021 (“Share Consolidation”), 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.

## **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 (Cont’d)**

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

As at 31 March 2021, the outstanding ICPS and Warrants B of the Company is 17,062,777 and 14,763,424, respectively. The Company does not have any other existing convertible securities.

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

#### **A8. Dividends Paid**

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

#### **A9. Operating Segments Information**

The Group business segments comprise the following:-

- (i) Information Technology (“IT”) and Information Communication Technology (“ICT”) division - involved in trading in IT and ICT related products (hardware, software and accessories), software development and support services and others (“IT and ICT Division”);
- (ii) Property construction and its related business (“Construction Division”);
- (iii) Investment properties (“Property Investment Division”);
- (iv) Property development (“Property Development Division”);
- (v) Moneylending business (“Moneylending Business Division”); 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 March 2021</b>							
<b>Revenue</b>							
External revenue	44,612	-	51	1,887	181	168	46,899
Inter-segment revenue	1	-	-	-	-	-	1
	<u>44,613</u>	<u>-</u>	<u>51</u>	<u>1,887</u>	<u>181</u>	<u>168</u>	<u>46,900</u>
Consolidation adjustment							(1)
Consolidated revenue							<u>46,899</u>
<b>Results</b>							
Segment results	1,611	(103)	26	(182)	(1,732)	(103)	(483)
Gain on modification of leases	(19)	-	-	-	-	-	(19)
Interest income	-	-	-	1	2	-	3
Reversed the reversal of provision for liquidated ascertained damages	-	-	-	1,134	-	-	1,134
Impairment loss on a trade receivable	-	-	-	-	(6,470)	-	(6,470)
Impairment loss on land held for development	-	-	-	(3,277)	-	-	(3,277)
Net realisation of fair value arising from the acquisition of a subsidiary	-	-	-	(454)	-	-	(454)
Bad debts written off	-*	-	-	-	-	-	-
Depreciation of property and equipment	(176)	-*	(2)	(8)	(13)	(17)	(216)
Depreciation of right-of-use assets	(522)	-	-	-	(21)	(12)	(555)
Depreciation of investment properties	-	-	(40)	-	-	-	(40)
Equipment written off	(7)	-	-	-	-	-	(7)
Interest expense	-	-	-	(1,375)	-	-	(1,375)
Interest expense on lease liabilities	(126)	-	-	-	(2)	-	(128)
Consolidated profit/(loss) before taxation	<u>761</u>	<u>(103)</u>	<u>(16)</u>	<u>(4,161)</u>	<u>(8,236)</u>	<u>(132)</u>	<u>(11,887)</u>
Tax expense	(57)	-	-	13	383	-	339
Consolidated profit/(loss) after taxation	<u>704</u>	<u>(103)</u>	<u>(16)</u>	<u>(4,148)</u>	<u>(7,853)</u>	<u>(132)</u>	<u>(11,548)</u>
<b>Assets</b>							
Segment assets/Consolidated total assets	51,014	946	10,951	145,778	63,992	45,565	<u>318,246</u>
<b>Liabilities</b>							
Segment liabilities/Consolidated total liabilities	32,458	21	69	106,358	174	235	<u>139,315</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 RM000	Construction Division RM000	Property Investment Division RM000	Property Development Division RM000	Moneylending Business Division RM000	Investment Holding Division RM000	The Group RM000
<b>Current quarter ended</b>							
<b>31 March 2020</b>							
<b>Revenue</b>							
External revenue	31,121	-	116	(2,282)	761	259	29,975
Inter-segment revenue	2	-	-	-	-	-	2
	<u>31,123</u>	<u>-</u>	<u>116</u>	<u>(2,282)</u>	<u>761</u>	<u>259</u>	<u>29,977</u>
Consolidation adjustments							(2)
Consolidated revenue							<u>29,975</u>
<b>Results</b>							
Segment results	2,638	(152)	(15)	(497)	140	(196)	1,918
Interest income	2	-	-	2	1	-	5
Negative goodwill	-	-	-	3,032	-	-	3,032
Depreciation of property and equipment	(85)	-	-	(8)	(13)	20	(86)
Depreciation of right-of-use assets	(2,215)	-	-	-	(39)	(51)	(2,305)
Depreciation of investment properties	-	-	(59)	-	-	-	(59)
Equipment written off	(1)	-	-	(10)	-	-	(11)
Interest expense	9	-	-	(1,416)	-	-	(1,407)
Interest expense - lease liabilities	(692)	-	-	-	(8)	-	(700)
Provision for liquidated ascertained damages	-	-	-	(3,168)	-	-	(3,168)
Realisation of fair value arising from the acquisition of a subsidiary	-	-	-	(1,050)	-	-	(1,050)
Reversal of impairment losses on receivables	10	-	-	-	-	-	10
Consolidated (loss)/profit before taxation	<u>(334)</u>	<u>(152)</u>	<u>(74)</u>	<u>(3,115)</u>	<u>81</u>	<u>(227)</u>	<u>(3,821)</u>
Tax expense	(141)	-	-	71	(323)	-	(393)
Consolidated (loss)/profit after taxation	<u>(475)</u>	<u>(152)</u>	<u>(74)</u>	<u>(3,044)</u>	<u>(242)</u>	<u>(227)</u>	<u>(4,214)</u>
<b>Assets</b>							
Segment assets/Consolidated total assets	47,014	622	16,458	138,936	26,273	37,055	<u>266,358</u>
<b>Liabilities</b>							
Segment liabilities/Consolidated total liabilities	30,806	306	158	113,484	568	198	<u>145,520</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 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 Company, TA Securities Holdings Berhad (“TA Securities”) has on 28 April 2021 announced that the rights issue which was approved by the Company’s shareholders on 15 January 2021 has been completed with the listing of 332,652,376 new Vortex Shares together with 266,121,872 Warrants C (“Rights Issue with Warrants C”) on the ACE Market of Bursa Securities on 28 April 2021.
- (b) Additional ICPS of 4,238,295 and additional Warrants B of 3,667,077 which were adjusted following the Rights Issue with Warrants C have been listed on the ACE Market of Bursa Securities on 28 April 2021.
- (c) On 4 May 2021, the Company has entered into a Share Sales Agreement with Dynaciate Group Berhad to dispose 2,500,000 ordinary shares in MGudang Sdn. Bhd. (“MSB”) which representing 9.8% equity interest in MSB for a total cash consideration of RM2,500,000.

#### **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 23 February 2021, THDex Limited (“THDex”) had allotted and issued 144,118 ordinary shares which represents 49% of the enlarged share capital of THDex for an amount of USD144,118 to a subscriber. THDex is now a 51% owned subsidiary of the Company.

#### **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 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 24 May 2021 (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 Quarter 31 March 2021 RM'000	Preceding Year Corresponding Quarter 31 March 2020 RM'000	Current Year To-date 31 March 2021 RM'000	Preceding Year Corresponding Period 31 March 2020 RM'000
Professional services rendered by a company in which a director is a common director and has substantial financial interests	11	-	67	12
Subscription fee for accounting charged to a company in which a director is a common director	3	3	14	14
Fees charged for services rendered by a company in which a director is a common director and has financial interests	-	-	240	-
Key management personnel:-				
- salaries and allowances	1,535	225	2,167	1,144
- defined contribution plans	184	27	259	136
- others	1	1	3	4
- fee	72	75	287	340

**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	
	31.3.2021 RM'000	31.3.2020 RM'000		31.3.2021 RM'000	31.3.2020 RM'000	
<b>Revenue:-</b>						
IT and ICT Division	44,612	31,121	43.4	179,496	139,082	29.1
Construction Division	-	-	-	-	-	-
Property Investment Division	51	116	(56.0)	212	514	(58.8)
Property Development Division	1,887	(2,282)	182.7	1,403	524	167.7
Moneylending Business Division	181	761	(76.2)	3,754	1,538	144.1
Investment Holding Division	168	259	(35.1)	977	1,125	(13.2)
	<b>46,899</b>	<b>29,975</b>	<b>56.5</b>	<b>185,842</b>	<b>142,783</b>	<b>30.2</b>
<b>Profit/(Loss) before taxation ("PBT/(LBT)"):-</b>						
IT and ICT Division	761	(334)	327.8	3,519	(662)	631.6
Construction Division	(103)	(152)	(32.2)	(523)	(320)	63.4
Property Investment Division	(16)	(74)	(78.4)	2,345	(348)	773.9
Property Development Division	(4,161)	(3,115)	33.6	(8,526)	(9,796)	(13.0)
Moneylending Business Division	(8,236)	81	(10,267.9)	(5,821)	(448)	1,199.3
Investment Holding Division	(132)	(227)	(41.9)	(512)	(146)	250.7
	<b>(11,887)</b>	<b>(3,821)</b>	<b>211.1</b>	<b>(9,518)</b>	<b>(11,720)</b>	<b>(18.8)</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 mainly due to the increase in revenue in IT and ICT 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 Group has recorded a higher LBT in the current quarter mainly due to the allowance for impairment loss recognised for a receivable in Moneylending Business Division.

##### IT and ICT Division

The increase in revenue and profit recorded in 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 costs incurred.

##### 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 increase in revenue for the current quarter and the current year to-date was mainly due to the adjustment made on revenue for the reversal of provision for liquidated ascertained damages recognised in prior years.

The higher LBT recorded in the current quarter as compared to the preceding year corresponding quarter was mainly due to the impairment loss for a land held for development.

##### Moneylending Business Division

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

The decrease in revenue in the current quarter as compared to the preceding year corresponding quarter was mainly due to the revision of interest rate charged to existing customers during the current quarter under review.

The loss recorded in the current quarter as compared to the preceding year corresponding quarter was mainly due to the allowance for impairment loss on a receivable.

## 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

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 Profit/(Loss) Before Taxation for the Quarter Reported as Compared with the Immediate Preceding Quarter

	<b>Current Quarter 31.3.2021 RM'000</b>	<b>Immediate Preceding Quarter 31.12.2020 RM'000</b>	<b>Changes %</b>
<b>Revenue:-</b>			
IT and ICT Division	44,612	50,154	(11.0)
Construction Division	-	-	-
Property Investment Division	51	45	13.3
Property Development Division	1,887	784	140.7
Moneylending Business Division	181	1,030	(82.4)
Investment Holding Division	168	219	(23.3)
	<b>46,899</b>	<b>52,232</b>	<b>(10.2)</b>
<b>PBT/(LBT):-</b>			
IT and ICT Division	761	882	(13.7)
Construction Division	(103)	(128)	(19.5)
Property Investment Division	(16)	(55)	(70.9)
Property Development Division	(4,161)	(1,319)	215.5
Moneylending Business Division	(8,236)	478	(1,823.0)
Investment Holding Division	(132)	(112)	17.9
	<b>(11,887)</b>	<b>(254)</b>	<b>4,579.5</b>

##### 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 decrease in revenue from IT and ICT division was mainly due to the decrease of sales for gadgets and DIY products.

The Group has recorded a higher LBT in the current quarter mainly due to the allowance for impairment loss recognised for a receivable in Moneylending Business Division and allowance for impairment loss for a land held for development in Property Development Division in the current quarter.

##### IT and ICT Division

The decrease in revenue and profit during the current quarter under review was mainly due to the decrease in revenue as explained above.

## 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 costs 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 adjustment made on revenue for the net impact of reversal of provision for liquidated ascertained damage.

The higher LBT in the current quarter as compared to the immediate preceding quarter was mainly due to the impairment loss on a land held for development.

##### Moneylending Business Division

The loss recorded in the current quarter was mainly due to the impairment loss on a receivable and higher staff costs.

##### Investment Holding Division

The decrease of revenue and higher LBT in the current quarter was mainly due to lesser interest income earned 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.

The Board is concerned with the recent spike in Covid-19 cases and has taken stricter measures to ensure the compliance of Standard Operating Procedures. 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 31.3.2021 RM'000	Preceding Corresponding Quarter 31.3.2020 RM'000	Current Year To-date 31.3.2021 RM'000	Preceding Year Corresponding Period 31.3.2020 RM'000
Current tax expense:				
- For the current financial period	325	(457)	(1,163)	(603)
- Underprovision in the previous financial year	1	-	(92)	(263)
	<u>326</u>	<u>(457)</u>	<u>(1,255)</u>	<u>(866)</u>
Deferred tax expense:				
- For the current financial period	13	64	6	167
	<u>339</u>	<u>(393)</u>	<u>(1,249)</u>	<u>(699)</u>
Real Property Gains Tax	-	-	(594)	-
	<u>339</u>	<u>(393)</u>	<u>(1,843)</u>	<u>(699)</u>

**B6. Status of Corporate Proposals**

There were no corporate proposals as at 24 May 2021 (the latest practicable date not earlier than seven (7) days from the date of issue of this report) pending for completion.

## 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 March 2021, 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 March 2021 (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	(1,034)	22,155	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#	(4,118)	-	Within 24 months*
Estimated expenses in relation to the corporate exercises	1,082#	(1,082)	-	-
<b>Total</b>	<b>54,889</b>	<b>(32,357)</b>	<b>22,532</b>	

Notes:

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

^ 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 I

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 I).

At 31 March 2021, the proceeds raised from Private Placement I has been fully utilised as follows:-

	<b>Utilisation of proceeds (RM'000)</b>	<b>Amount utilised at 31 March 2021 (RM'000)</b>	<b>Balance of proceeds (RM'000)</b>	<b>Timeframe for utilisation*</b>
<b>Utilisation of proceeds</b>	<b>(A)</b>	<b>(B)</b>	<b>(A-B)</b>	
Partial repayment of bank borrowings <sup>(1)</sup>	7,857	(7,857)	-	Within 12 months*
Expenses in relation to the Private Placement I	105	(105)	-	Within 1 month
<b>TOTAL</b>	<b>7,962</b>	<b>(7,962)</b>	<b>-</b>	

Notes:

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

<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)****B7. Utilisation of Proceeds (Cont'd)**Private Placement II

On 8 January 2021, the Company has completed a private placement of 130,879,700 new Vortex Shares at an issue price of RM0.046 each following the listing of 130,879,700 new Vortex Shares in the ACE Market of Bursa Securities (Private Placement II).

At 31 March 2021, the proceeds raised from Private Placement II has been fully utilised as follows:-

	<b>Utilisation of proceeds (RM'000)</b>	<b>Amount utilised at 31 March 2021 (RM'000)</b>	<b>Balance of proceeds (RM'000)</b>	<b>Timeframe for utilisation*</b>
<b>Utilisation of proceeds</b>	<b>(A)</b>	<b>(B)</b>	<b>(A-B)</b>	
Partial repayment of bank borrowings <sup>(1)</sup>	5,919	(5,919)	-	Within 12 months*
Expenses in relation to the Private Placement II	101	(101)	-	Within 1 month
<b>TOTAL</b>	<b>6,020</b>	<b>(6,020)</b>	<b>-</b>	

Notes:

\* From 8 January 2021 (being the date of completion of the Private Placement II).

<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:

	As at 31.3.2021 RM'000	As at 31.3.2020 RM'000
<b>Current</b>		
Lease liabilities	2,051	2,045
Term loans	48,078	62,204
	<hr/>	<hr/>
	50,129	64,249
 <b>Non-current</b>		
Lease liabilities	3,436	5,168
	<hr/>	<hr/>
	53,565	69,417
	<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 per Share**

The basic loss per share was calculated by dividing the 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:

	<b>Individual Quarter</b>		<b>Cumulative Period</b>	
	<b>Current</b>	<b>Preceding</b>	<b>Current</b>	<b>Preceding</b>
	<b>Year</b>	<b>Year</b>	<b>Year</b>	<b>Year</b>
	<b>Corresponding</b>	<b>Corresponding</b>	<b>To-date</b>	<b>Corresponding</b>
	<b>Quarter</b>	<b>Quarter</b>	<b>Period</b>	<b>Period</b>
	<b>31.3.2021</b>	<b>31.3.2020</b>	<b>31.3.2021</b>	<b>31.3.2020</b>
Loss after taxation attributable to the owners of the Company (RM'000)	(11,562)	(4,243)	(11,386)	(12,194)
Weighted average number of ordinary shares in issue	691,299,307	461,839,989	937,892,727	403,293,443
Basic loss per share (sen)	(1.67)	(0.92)	(1.21)	(3.02)
Diluted loss per share (sen)	(1.67)	(0.92)	(1.21)	(3.02)

**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 31.3.2021 RM'000	Preceding	Current Year To-date 31.3.2021 RM'000	Preceding
		Year Corresponding Quarter 31.3.2020 RM'000		Year Corresponding Period 31.3.2020 RM'000
	Interest income	171	264	991
Interest expense	1,375	1,407	6,691	7,129
Interest expense on lease liabilities	128	700	544	700
Bad debts written off	-*	-	-*	10
Depreciation of property and equipment	216	86	872	1,064
Depreciation of investment properties	40	59	134	251
Depreciation of right-of-use assets	555	2,305	2,279	2,305
Deposit written off	-	-	-	-*
Equipment written off	7	11	13	109
Loss on disposal of a subsidiary	-	-	-	116
Provision for liquidated ascertained damages	-	3,168	-	3,168
Impairment loss on a trade receivable	6,470	-	6,470	-
Impairment loss on land held for development	3,277	-	3,277	-
Reversed the reversal of provision for liquidated ascertained damages	1,134	-	-	-
Realisation of fair value arising from the acquisition of a subsidiary	-	1,050	-	1,480
Net realisation of fair value arising from the acquisition of a subsidiary - gain	454	-	405	-
Gain on disposal of an investment property	-	-	2,543	-
Gain on modification of leases	19	-	19	-
Negative goodwill	-	3,032	-	3,032
Reversal of impairment losses on receivables	-	10	-	10

Note:-

\* - Amount less than RM1,000

**B14. Authorisation for issue**

The interim financial statements were authorised for issue by the Board in accordance with a resolution of the directors dated 31 May 2021.