



VORTEX CONSOLIDATED BERHAD

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

Year 2022

**Quarterly Announcement
For The Quarter Ended 30 June 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 30 JUNE 2021

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year Quarter 30 June 2021 (Unaudited) RM'000	Preceding Year Corresponding Quarter 30 June 2020 (Unaudited) RM'000	Current Year To-date 30 June 2021 (Unaudited) RM'000	Preceding Year Corresponding Period 30 June 2020 (Unaudited) RM'000
Revenue	42,336	38,921	42,336	38,921
Cost of sales	(36,640)	(33,646)	(36,640)	(33,646)
Gross profit	<u>5,696</u>	<u>5,275</u>	<u>5,696</u>	<u>5,275</u>
Other income	73	2,890	73	2,890
	<u>5,769</u>	<u>8,165</u>	<u>5,769</u>	<u>8,165</u>
Operating expenses	(4,848)	(4,476)	(4,848)	(4,476)
Finance costs	(1,335)	(2,446)	(1,335)	(2,446)
(Loss)/Profit before taxation	<u>(414)</u>	<u>1,243</u>	<u>(414)</u>	<u>1,243</u>
Tax expense	(320)	(888)	(320)	(888)
(Loss)/Profit after taxation/ Total comprehensive (expenses)/income	<u>(734)</u>	<u>355</u>	<u>(734)</u>	<u>355</u>
(Loss)/Profit after taxation attributable to:-				
Owners of the Company	(734)	339	(734)	339
Non-controlling interests	-*	16	-*	16
	<u>(734)</u>	<u>355</u>	<u>(734)</u>	<u>355</u>
Total comprehensive (expenses)/income attributable to:-				
Owners of the Company	(734)	339	(734)	339
Non-controlling interests	-*	16	-*	16
	<u>(734)</u>	<u>355</u>	<u>(734)</u>	<u>355</u>
(Loss)/Earning per share [(LPS)/EPS] (in sen)				
Basic (LPS)/EPS	(0.12)	0.16	(0.12)	0.16
Diluted (LPS)/EPS	(0.12)	0.16	(0.12)	0.16

Note:-

*- Amount less than RM1,000

(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 2021 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 30 JUNE 2021

	<u>(UNAUDITED)</u>	<u>(AUDITED)</u>
	As at 30 June 2021	As at 31 March 2021
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property and equipment	6,376	5,521
Investment properties	10,759	10,800
Right-of-use assets	7,164	7,762
Land held for property development	11,302	11,133
Other investment	-	2,500
Goodwill on consolidation	5,774	5,774
	<u>41,375</u>	<u>43,490</u>
Current Assets		
Inventories	23,694	19,559
Property development costs	136,258	131,158
Trade and other receivables	69,319	71,390
Current tax assets	1,848	1,479
Short-term investments	49,089	40,298
Cash and bank balances	9,793	10,163
	<u>290,001</u>	<u>274,047</u>
Asset classified as held for sale	2,500	-
	<u>292,501</u>	<u>274,047</u>
TOTAL ASSETS	<u>333,876</u>	<u>317,537</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	213,294	188,775
Reserves	19,960	(10,389)
Equity attributable to owners of the Company	<u>233,254</u>	<u>178,386</u>
Non-controlling interests	545	545
TOTAL EQUITY	<u>233,799</u>	<u>178,931</u>
Non-Current Liabilities		
Lease liabilities	2,873	3,436
Deferred tax liabilities	5,101	5,114
	<u>7,974</u>	<u>8,550</u>
Current Liabilities		
Trade and other payables	77,431	76,510
Lease liabilities	2,048	2,051
Contract liability	2,929	3,417
Term loans	9,518	48,078
Current tax liabilities	2	-
	<u>91,928</u>	<u>130,056</u>
Liability classified as held for sale	175	-
TOTAL LIABILITIES	<u>100,077</u>	<u>138,606</u>
TOTAL EQUITY AND LIABILITIES	<u>333,876</u>	<u>317,537</u>
Net assets per share (sen)	35.06	53.63

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2021 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 (3) MONTHS ENDED 30 JUNE 2021

	Share Capital	Irredeemable Convertible Preference Shares ("ICPS")	Non-Distributable		Distributable	Attributable To Owners of the Company	Non- Controlling Interests	Total
			Share Application Money	Warrants Reserve	Accumulated Losses			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
3 months ended 30 June 2020								
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	58,550	(19,796)	(5,500)	-	-	33,254	-	33,254
Total transaction with owners	58,550	(19,796)	(5,500)	-	-	33,254	-	33,254
Profit after taxation for the 3 months ended 30 June 2020	-	-	-	-	339	339	16	355
Balance as at 30 June 2020	142,237	14,334	-	6,897	(8,974)	154,494	(47)	154,447
3 months ended 30 June 2021								
Balance as at 1 April 2021	188,775	3,413	-	6,897	(20,699)	178,386	545	178,931
Contributions by owners of the Company:								
- Rights Issue of Shares with Warrants C	25,468	-	-	31,083	-	56,551	-	56,551
- Share issuance expenses	(949)	-	-	-	-	(949)	-	(949)
Total transactions with owners	24,519	-	-	31,083	-	55,602	-	55,602
Loss after taxation for the 3 months ended 30 June 2021	-	-	-	-	(734)	(734)	-*	(734)
Balance as at 30 June 2021	213,294	3,413	-	37,980	(21,433)	233,254	545	233,799

Note:-

*- Amount less than RM1,000

(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 2021 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 (3) MONTHS ENDED 30 JUNE 2021

	(UNAUDITED)	(UNAUDITED)
	CURRENT	CORRESPONDING
	PERIOD-TO-DATE	PERIOD-TO-DATE
	3 MONTHS	3 MONTHS
	ENDED	ENDED
	30 June 2021	30 June 2020
Note	RM'000	RM'000
CASH FLOW (FOR)/FROM OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(414)	1,243
Adjustments for non-cash items:		
Depreciation of property and equipment	263	215
Depreciation of right-of-use assets	546	586
Depreciation of investment properties	41	27
Realisation of fair value arising from the acquisition of a subsidiary	64	25
Interest expense	1,223	2,294
Interest expense on lease liabilities	112	152
Gain on disposal of an investment property	-	(2,543)
Interest income	(266)	(247)
Gain on modification of leases	(2)	-
Operating profit before changes in working capital	1,567	1,752
Net change in inventories	(4,135)	978
Net change in trade & other receivables	957	(2,560)
Net change in contract asset/liability	(484)	5
Net change in trade & other payables	301	2,630
Cash flow (for)/from operations	(1,794)	2,805
Net income tax paid	(700)	(70)
Interest received	257	243
Net cash (for)/from operating activities	(2,237)	2,978
CASH FLOW (FOR)/FROM INVESTING ACTIVITIES		
Interest income received	9	4
Purchase of equipment	(4)	(61)
Development costs paid	(5,310)	(182)
Proceeds from disposal of an investment property, net of fee and tax	-	10,494
Net cash (for)/from investing activities	(5,305)	10,255
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Rights Issue of Shares with Warrants C	56,551	-
Proceeds from conversion of ICPS	-	33,254
Share issuance expenses	(949)	-
Interest paid	(567)	(152)
Net repayment of lease liabilities	(512)	(488)
Repayment of term loans	(38,560)	-
Net cash from financing activities	15,963	32,614
NET CHANGE IN CASH AND CASH EQUIVALENTS	8,421	45,847
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	50,461	67,101
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	58,882	112,948

Note 1

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

	30 June 2021
	RM'000
Short-term investments	49,089
Cash and bank balances	9,793
	58,882

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2021 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 30 JUNE 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 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 2021. 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 2021.

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 2021 except for the adoption of the following:-

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

- Amendments to MFRS 9, MFRS 139 and MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2
- Amendments to MFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021

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

Part A

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

A2. Changes in Accounting Policies (Cont’d)

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

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

- MFRS 17 Insurance Contracts
- Amendments to MFRS 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 17: Insurance Contracts
- Amendments to MFRS 101: Classification of Liabilities as Current or Non-current
- Amendments to MFRS 101: Disclosure of Accounting Policies
- Amendments to MFRS 108: Definition of Accounting Estimates
- Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- 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

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 2021 was not qualified.

A4. Seasonality or Cyclicity of Operations

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

A5. Unusual Items

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

A6. Material Changes in Estimates

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

Part A

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

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

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

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

Following the consolidation of every 4 existing ordinary shares in 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.

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

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

During the quarter under review, there was no conversion of ICPS, no Warrants B and no Warrants C were exercised before and after the Rights Issue of Shares with Warrants C.

As at 30 June 2021, the ICPS, Warrants B and Warrants C of the Company was 21,301,072, 18,430,501 and 266,121,872, 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
Current quarter ended							
30 June 2021							
Revenue							
External revenue	40,649	-	56	607	767	257	42,336
Inter-segment revenue	1	-	-	-	-	-	1
	<u>40,650</u>	<u>-</u>	<u>56</u>	<u>607</u>	<u>767</u>	<u>257</u>	<u>42,337</u>
Consolidation adjustment							(1)
Consolidated revenue							<u>42,336</u>
Results							
Segment results	1,575	(127)	30	(50)	359	37	1,824
Gain on modification of leases	2	-	-	-	-	-	2
Interest income	1	-	-	1	7	-	9
Realisation of fair value arising from the acquisition of a subsidiary	-	-	-	(64)	-	-	(64)
Depreciation of property and equipment	(185)	-	(2)	(7)	(50)	(19)	(263)
Depreciation of right-of-use assets	(513)	-	-	-	(20)	(13)	(546)
Depreciation of investment properties	-	-	(41)	-	-	-	(41)
Interest expense	-	-	-	(1,223)	-	-	(1,223)
Interest expense on lease liabilities	(110)	-	-	-	(2)	-	(112)
Consolidated profit/(loss) before taxation	<u>770</u>	<u>(127)</u>	<u>(13)</u>	<u>(1,343)</u>	<u>294</u>	<u>5</u>	<u>(414)</u>
Tax expense	(240)	-	(6)	13	(87)	-	(320)
Consolidated profit/(loss) after taxation	<u>530</u>	<u>(127)</u>	<u>(19)</u>	<u>(1,330)</u>	<u>207</u>	<u>5</u>	<u>(734)</u>
Assets							
Segment assets/Consolidated total assets	52,242	817	10,926	150,680	64,340	54,871	<u>333,876</u>
Liabilities							
Segment liabilities/Consolidated total liabilities	33,131	19	96	66,320	140	371	<u>100,077</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 RM000	Construction Division RM000	Property Investment Division RM000	Property Development Division RM000	Moneylending Business Division RM000	Investment Holding Division RM000	The Group RM000
Current quarter ended							
30 June 2020							
Revenue							
External revenue	37,069	-	86	(5)	1,528	243	38,921
Inter-segment revenue	1	-	-	-	-	-	1
	<u>37,070</u>	<u>-</u>	<u>86</u>	<u>(5)</u>	<u>1,528</u>	<u>243</u>	<u>38,922</u>
Consolidation adjustments							(1)
Consolidated revenue							<u>38,921</u>
Results							
Segment results	1,418	(133)	(10)	20	1,019	(319)	1,995
Interest income	1	-	-	1	2	-	4
Gain on disposal of an investment property	-	-	2,543	-	-	-	2,543
Depreciation of property and equipment	(176)	-*	-	(7)	(14)	(18)	(215)
Depreciation of right-of-use assets	(553)	-	-	-	(20)	(13)	(586)
Depreciation of investment properties	-	-	(27)	-	-	-	(27)
Interest expense	-	-	-	(2,294)	-	-	(2,294)
Interest expense - lease liabilities	(148)	-	-	-	(4)	-	(152)
Realisation of fair value arising from the acquisition of a subsidiary	-	-	-	(25)	-	-	(25)
Consolidated profit/(loss) before taxation	<u>542</u>	<u>(133)</u>	<u>2,506</u>	<u>(2,305)</u>	<u>983</u>	<u>(350)</u>	<u>1,243</u>
Tax expense	(294)	-	(594)	-	-	-	(888)
Consolidated profit/(loss) after taxation	<u>248</u>	<u>(133)</u>	<u>1,912</u>	<u>(2,305)</u>	<u>983</u>	<u>(350)</u>	<u>355</u>
Assets							
Segment assets/Consolidated total assets	51,650	888	8,434	138,932	28,940	75,860	<u>304,704</u>
Liabilities							
Segment liabilities/Consolidated total liabilities	35,047	306	139	114,027	552	186	<u>150,257</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 18 August 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:-

On behalf of the Board of Directors of Vortex (“Board”), TA Securities Holdings Berhad (“TA Securities”) has on 6 July 2021 announced that the Company proposed to undertake a proposed private placement of up to 291,347,400 new Vortex Shares, representing up to 30% of the total number of Vortex Shares in issue (excluding treasury shares, if any), together with up to 145,673,700 detachable warrants (“Placement Warrant(s)”) on the basis of 1 Placement Warrant for every 2 new Vortex Shares subscribed for (“Proposed Private Placement of Shares with Warrants”)

On 7 July 2021, the Company has submitted the additional listing application in relation to the Proposed Private Placement of Shares with Warrants to Bursa Securities.

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 18 August 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 18 August 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 30 June 2021 RM000	Preceding Year Corresponding Quarter 30 June 2020 RM000	Current Year To-date 30 June 2021 RM000	Preceding Year Corresponding Period 30 June 2020 RM000
Administrative expenses charged to a related party	2	4	2	4
Professional services charged by a related party	11	15	11	15
Key management personnel:-				
- salaries and allowances	335	161	335	161
- defined contribution plans	40	19	40	19
- others	1	1	1	1
- fee	72	71	72	71

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

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

Part B

Explanatory Notes Pursuant To Paragraph 9.22 of the Listing Requirements

B1. Detailed Analysis of Overall Performance

	Individual Quarter		Changes %	Cumulative Period		Changes %
	Current Year Quarter	Preceding Year Corresponding Quarter		Current Year To-date	Preceding Year Corresponding Period	
	30.6.2021 RM'000	30.6.2020 RM'000		30.6.2021 RM'000	30.6.2020 RM'000	
Revenue:-						
IT and ICT Division	40,649	37,069	9.7	40,649	37,069	9.7
Construction Division	-	-	-	-	-	-
Property Investment Division	56	86	(34.9)	56	86	(34.9)
Property Development Division	607	(5)	12,240.0	607	(5)	12,240.0
Moneylending Business Division	767	1,528	(49.8)	767	1,528	(49.8)
Investment Holding Division	257	243	5.8	257	243	5.8
	42,336	38,921	8.8	42,336	38,921	8.8
Profit/(Loss) before taxation ("PBT/(LBT"):-						
IT and ICT Division	770	542	42.1	770	542	42.1
Construction Division	(127)	(133)	(4.5)	(127)	(133)	(4.5)
Property Investment Division	(13)	2,506	(100.5)	(13)	2,506	(100.5)
Property Development Division	(1,343)	(2,305)	(41.7)	(1,343)	(2,305)	(41.7)
Moneylending Business Division	294	983	(70.1)	294	983	(70.1)
Investment Holding Division	5	(350)	101.4	5	(350)	101.4
	(414)	1,243	(133.3)	(414)	1,243	(133.3)

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 increases in revenue in IT and ICT and Property Development Divisions. 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. Higher revenue from Property Development Division was mainly due to the increase in progress billings arose from the development works achieved for sold units.

The Group has recorded a loss in the current quarter mainly due to lower interest income generated from Moneylending Business Division and the profit recorded in the preceding year corresponding quarter was mainly due to gain on disposal of an investment property from Property Investment 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 was mainly due to lower rental income generated from the investment properties. The profit recorded in the preceding year corresponding quarter was due to the gain from the disposal of an investment property.

The loss recorded in the current quarter was mainly due to the rental income earned not sufficient to cover the operating expenses.

Property Development Division

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

The increase in revenue in the current quarter was mainly due to the increase in revenue as explained above. In contrast to the current quarter under review, there was no revenue recognised in preceding year corresponding quarter due to development work has temporarily ceased during movement control periods imposed by the government.

The lower LBT recorded in the current quarter as compared to the preceding year corresponding quarter was mainly due to the decrease in finance costs.

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

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

The decreases in revenue and PBT in the current quarter as compared to the preceding year corresponding quarter were mainly due to the lower interest income earned.

Investment Holding Division

Revenue was fairly consistent between the comparing quarters.

The decrease in LBT in the current quarter as compared to the preceding year corresponding quarter was mainly due to lesser professional fee incurred.

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

	Current Quarter 30.6.2021 RM'000	Immediate Preceding Quarter 31.3.2021 RM'000	Changes %
Revenue:-			
IT and ICT Division	40,649	44,612	(8.9)
Construction Division	-	-	-
Property Investment Division	56	51	9.8
Property Development Division	607	1,887	(67.8)
Moneylending Business Division	767	181	323.8
Investment Holding Division	257	168	53.0
	42,336	46,899	(9.7)
PBT/(LBT):-			
IT and ICT Division	770	761	1.2
Construction Division	(127)	(103)	23.3
Property Investment Division	(13)	(16)	(18.8)
Property Development Division	(1,343)	(4,161)	(67.7)
Moneylending Business Division	294	(8,236)	103.6
Investment Holding Division	5	(132)	103.8
	(414)	(11,887)	(96.5)

Overall Performance

Overall, the Group's revenue for the current quarter as compared to the immediate preceding quarter has decreased mainly due to the decreases in revenue from IT and ICT and Property Development Divisions. The decreases in revenue from IT and ICT and Property Development Divisions were mainly due to the IT hyper store has not opened for walk-in customers and development works has temporarily ceased in June 2021 as a result of the Movement Control Order 3.0 ("MCO 3.0") imposed by the government.

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

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)

IT and ICT Division

The decrease in revenue during the current quarter under review was as explained above. The PBT, however, was not much affected mainly due to rebates obtained from landlord and lesser staff cost incurred.

Construction Division

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

Property Investment Division

There were no material movements in both revenue and loss in this division.

Property Development Division

The decrease in revenue in the current quarter was mainly due to the development works has temporarily ceased in June 2021 due to the imposition of MCO 3.0 by the government.

The lower 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 provided in the previous quarter.

Moneylending Business Division

Lesser interest income in the immediate preceding quarter was mainly due to the revision of interest rate charged to customers.

The profit recorded in the current quarter was mainly due to the higher interest income earned in the current quarter under review and the impairment loss provided for a receivable in the immediate preceding quarter.

Investment Holding Division

The increase of revenue and lower LBT in the current quarter were mainly due to higher interest income earned and lesser operating expenses 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 continue creating value for all our stakeholders.

The nationwide lockdown since the beginning of June 2021 by the Malaysia government to curb the Covid-19 has impacted the local economy as well as the Group's operations. However, the Group will endeavor to continue to drive for operational and cost efficiencies to better manage the challenging operating environment.

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 30.6.2021 RM'000	Preceding Corresponding Quarter 30.6.2020 RM'000	Current Year To-date 30.6.2021 RM'000	Preceding Year Corresponding Period 30.6.2020 RM'000
Current tax expense:				
- For the current financial period	(333)	(294)	(333)	(294)
Deferred tax expense:				
- For the current financial period	13	-	13	-
	<u>(320)</u>	<u>(294)</u>	<u>(320)</u>	<u>(294)</u>
Real Property Gains Tax	-	(594)	-	(594)
	<u>(320)</u>	<u>(888)</u>	<u>(320)</u>	<u>(888)</u>

B6. Status of Corporate Proposals

There were no corporate proposals as at 18 August 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 Private Placement of Shares with Warrants as mentioned in A10 above.

Part B

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

B7. Utilisation of Proceeds

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

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

On 25 July 2019, the shareholders of the Company had approved the variation to the utilisation of proceeds raised from the Rights Issues I. At 30 June 2021, the status of the utilisation of proceeds raised from the Rights Issues I taking into consideration the variation approved on 25 July 2019 is as follows:-

Utilisation of proceeds	Utilisation of proceeds after the variation (RM'000)	Amount utilised at 30 June 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	(1,209)	21,980	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*
Expenses in relation to the corporate exercises	1,082#	(1,082)	-	-
Total	54,889	(32,532)	22,357	

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)**Rights Issue of Share with Warrants C

On 28 April 2021, TA Securities on behalf of the Board, announced that the Rights Issue of Shares with Warrants C has been completed following the listing of and quotation for 332,652,376 new Vortex Shares together with 266,121,872 Warrants C on the ACE Market of Bursa Securities.

At 30 June 2021, the status of the utilisation of proceeds raised from the Rights Issue of Shares with Warrants C is as follows:-

	Utilisation of proceeds (RM'000)	Amount utilised at 30 June 2021 (RM'000)	Balance of proceeds (RM'000)	Timeframe for utilisation*
Utilisation of proceeds	(A)	(B)	(A-B)	
Repayment of bank borrowings ⁽¹⁾	47,970	(38,452)	9,518	Within 12 months*
Working capital for 'The Louvre' project and/or the Group's moneylending business	7,761	(3,055)	4,577 #	Within 24 months*
Estimated expenses in relation to the corporate exercises	820	(949)	- #	Within 1 month
TOTAL	56,551	(42,456)	14,095	

Notes:

- * From 28 April 2021 (being the date of completion of the Rights Issue of Shares with Warrants C).
- ⁽¹⁾ The proceeds are utilised to repay the credit facilities granted by a financial institution to a subsidiary of the Company.
- # As the actual expenses for the corporate exercises were higher than the estimated expenses for the said corporate exercises, hence the shortfall (i.e. approximately RM129,000) has been re-allocated from the working capital of the Group.

Part B

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

B8. Details of Group Borrowings and Debt Securities

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

	As at 30.6.2021	As at 30.6.2020
	RM'000	RM'000
Current		
Lease liabilities	2,048	4,615
Term loans	9,518	63,766
	<hr/> 11,566	<hr/> 68,381
Non-current		
Lease liabilities	2,873	2,110
	<hr/> 14,439	<hr/> 70,491

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

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)/earning 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	Preceding	Current	Preceding
	Year	Year	Year	Year
	Quarter	Corresponding	To-date	Corresponding
	Quarter	Quarter	Period	Period
	30.6.2021	30.6.2020	30.6.2021	30.6.2020
(Loss)/Profit after taxation attributable to the owners of the Company (RM'000)	(734)	339	(734)	339
Weighted average number of ordinary shares in issue	595,849,860	205,672,126	595,849,860	205,672,126
Basic loss per share (sen)	(0.12)	0.16	(0.12)	0.16
Diluted loss per share (sen)	(0.12)	0.16	(0.12)	0.16

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

	Individual Quarter		Cumulative Period	
	Current Year Quarter 30.6.2021 RM'000	Preceding Year Corresponding Quarter 30.6.2020 RM'000	Current Year To-date 30.6.2021 RM'000	Preceding Year Corresponding Period 30.6.2020 RM'000
Interest income	266	247	266	247
Interest expense	1,223	2,294	1,223	2,294
Interest expense on lease liabilities	112	152	112	152
Depreciation of property and equipment	263	215	263	215
Depreciation of investment properties	41	27	41	27
Depreciation of right-of-use assets	546	586	546	586
Realisation of fair value arising from the acquisition of a subsidiary	64	25	64	25
Gain on disposal of an investment property	-	2,543	-	2,543
Gain on modification of leases	2	-	2	-

B14. Authorisation for issue

The interim financial statements were authorised for issue by the Board in accordance with a resolution of the directors dated 25 August 2021.