



VORTEX CONSOLIDATED BERHAD

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

Year 2022

**Quarterly Announcement
For The Quarter Ended 31 December 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 DECEMBER 2021

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year Quarter 31 December 2021 (Unaudited) RM'000	Preceding Year Corresponding Quarter 31 December 2020 (Unaudited) RM'000	Current Year To- date 31 December 2021 (Unaudited) RM'000	Preceding Year Corresponding Period 31 December 2020 (Unaudited) RM'000
Revenue	46,563	52,232	136,222	138,943
Cost of sales	(40,740)	(45,524)	(119,086)	(121,265)
Gross profit	5,823	6,708	17,136	17,678
Other income	82	165	448	4,516
	5,905	6,873	17,584	22,194
Operating expenses	(4,904)	(5,546)	(14,438)	(14,093)
Finance costs	61	(1,581)	(2,153)	(5,732)
Profit/(Loss) before taxation	1,062	(254)	993	2,369
Tax expense	(673)	(396)	(1,343)	(2,182)
Profit/(Loss) after taxation/ Total comprehensive income/(expenses)	389	(650)	(350)	187
Profit/(Loss) after taxation attributable to:-				
Owners of the Company	389	(636)	(344)	176
Non-controlling interests	-*	(14)	(6)	11
	389	(650)	(350)	187
Total comprehensive income/(expenses) attributable to:-				
Owners of the Company	389	(636)	(344)	176
Non-controlling interests	-*	(14)	(6)	11
	389	(650)	(350)	187
Earnings/(Loss) per share [EPS/(LPS)] (in sen)				
Basic EPS/(LPS)	0.05	(0.21)	(0.05)	0.07
Diluted EPS/(LPS)	0.05	(0.21)	(0.05)	0.07

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 31 DECEMBER 2021

	<u>(UNAUDITED)</u>	<u>(AUDITED)</u>
	As at	As at
	31 December 2021	31 March 2021
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property and equipment	5,977	5,521
Investment properties	10,678	10,800
Right-of-use assets	6,296	7,762
Land held for property development	11,302	11,133
Other investment	-	2,500
Goodwill on consolidation	5,774	5,774
	<u>40,027</u>	<u>43,490</u>
Current Assets		
Inventories	22,911	19,559
Property development costs	144,359	131,158
Trade and other receivables	82,380	71,390
Current tax assets	2,032	1,479
Short-term investments	36,314	40,298
Cash and bank balances	11,965	10,163
	<u>299,961</u>	<u>274,047</u>
TOTAL ASSETS	<u>339,988</u>	<u>317,537</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	232,458	188,775
Reserves	12,546	(10,389)
Equity attributable to owners of the Company	245,004	178,386
Non-controlling interests	539	545
TOTAL EQUITY	<u>245,543</u>	<u>178,931</u>
Non-Current Liabilities		
Lease liabilities	1,907	3,436
Deferred tax liabilities	5,108	5,114
	<u>7,015</u>	<u>8,550</u>
Current Liabilities		
Trade and other payables	83,307	76,510
Lease liabilities	2,229	2,051
Contract liability	1,888	3,417
Term loans	-	48,078
Current tax liabilities	6	-
	<u>87,430</u>	<u>130,056</u>
TOTAL LIABILITIES	<u>94,445</u>	<u>138,606</u>
TOTAL EQUITY AND LIABILITIES	<u>339,988</u>	<u>317,537</u>
Net assets per share (sen)	33.46	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 NINE (9) MONTHS ENDED 31 DECEMBER 2021

	Share Capital	Irredeemable Convertible Preference Shares ("ICPS")	Share Application Money	Non-Distributable Warrants Reserve	Distributable 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
9 months ended 31 December 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	91,312	(30,717)	(5,500)	-	-	55,095	-	55,095
- Issuance of ordinary shares pursuant to a private placement	7,962	-	-	-	-	7,962	-	7,962
- Expenses incurred pursuant to a private placement of ordinary shares	(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
9 months ended 31 December 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
- Exercise of Warrants C	19,164	-	-	(7,804)	-	11,360	-	11,360
- Share issuance expenses	(949)	-	-	-	-	(949)	-	(949)
Total transactions with owners	43,683	-	-	23,279	-	66,962	-	66,962
Loss after taxation for the 9 months ended 31 December 2021	-	-	-	-	(344)	(344)	(6)	(350)
Balance as at 31 December 2021	232,458	3,413	-	30,176	(21,043)	245,004	539	245,543

(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 NINE (9) MONTHS ENDED 31 DECEMBER 2021

	(UNAUDITED) CURRENT PERIOD-TO-DATE 9 MONTHS ENDED 31 December 2021 RM'000	(UNAUDITED) CORRESPONDING PERIOD-TO-DATE 9 MONTHS ENDED 31 December 2020 RM'000
CASH FLOW FOR OPERATING ACTIVITIES		
Profit before taxation	993	2,369
Adjustments for non-cash items:		
Depreciation of property and equipment	685	656
Depreciation of right-of-use assets	1,621	1,724
Depreciation of investment properties	122	94
Equipment written off	-	6
Net interest expense	1,813	5,316
Interest expense on lease liabilities	340	416
Gain on disposal of an investment property	-	(2,543)
COVID-19-related rent concession	(384)	-
Interest income	(717)	(820)
Gain on modification of leases	(2)	-
Reversal of provision for liquidated ascertained damages	-	(1,134)
Net realisation of fair value arising from the acquisition of a subsidiary	100	49
Operating profit before changes in working capital	4,571	6,133
Net change in inventories	(3,352)	(2,637)
Net change in trade & other receivables	(12,104)	(50,970)
Net change in contract liability	(1,527)	1,335
Net change in trade & other payables	5,377	8,842
Cash flow for operations	(7,035)	(37,297)
Net income tax paid	(1,896)	(1,100)
Interest received	688	809
Net cash for operating activities	(8,243)	(37,588)
CASH FLOW FOR INVESTING ACTIVITIES		
Interest income received	29	11
Purchase of equipment	(27)	(240)
Purchase of other investment	-	(2,500)
Proceeds from disposal of other investment	2,500	-
Development costs paid	(13,390)	(9,521)
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)
Net cash for investing activities	(10,888)	(4,992)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Rights Issue of Shares with Warrants C	56,551	-
Proceeds from conversion of ICPS	-	55,095
Proceeds from private placement	-	7,962
Share issuance expenses	(949)	(105)
Proceeds from exercise of Warrants C	11,360	-
Interest paid	(815)	(6,211)
Net repayment of lease liabilities	(1,120)	(1,488)
Net repayment of term loans	(48,078)	(4,421)
Net cash from financing activities	16,949	50,832
NET CHANGE IN CASH AND CASH EQUIVALENTS	(2,182)	8,252
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	50,461	44,883
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	48,279	53,135
	1	
		31 December 2021
		RM'000
Note 1		
Cash and Cash Equivalents at End of the Financial Period comprised:		
Short-term investments		36,314
Cash and bank balances		11,965
		48,279

(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 31 DECEMBER 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, the following shares have been issued and listed on the ACE Market of Bursa Securities on the following dates as a result of the exercise of Warrants C. No ICPS and Warrants B were converted/exercised during the quarter under review.

Listing Date	No. of shares issued resulting from Exercise of Warrants C
21 October 2021	60,704,100
12 November 2021	6,117,200
Total	66,821,300

As at 31 December 2021, the ICPS, Warrants B and Warrants C of the Company was 21,301,072, 18,430,501 and 199,300,572, 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							
31 December 2021							
Revenue							
External revenue	45,985	-	69	(650)	909	250	46,563
Inter-segment revenue	1	-	-	-	-	-	1
	<u>45,986</u>	<u>-</u>	<u>69</u>	<u>(650)</u>	<u>909</u>	<u>250</u>	<u>46,564</u>
Consolidation adjustment							(1)
Consolidated revenue							<u>46,563</u>
Results							
Segment results	1,527	(126)	38	(109)	482	(4)	1,808
Interest income	-	-	-	1	7	-	8
Net reversal of interest expense	-	-	-	188	-	-	188
Net reversal of realisation of fair value arising from the acquisition of a subsidiary	-	-	-	6	-	-	6
Depreciation of property and equipment	(137)	-	(3)	(8)	(68)	(19)	(235)
Depreciation of right-of-use assets	(516)	-	-	-	(15)	(13)	(544)
Depreciation of investment properties	-	-	(41)	-	-	-	(41)
Interest expense on lease liabilities	(126)	-	-	-	(2)	-	(128)
Consolidated profit/(loss) before taxation	<u>748</u>	<u>(126)</u>	<u>(6)</u>	<u>78</u>	<u>404</u>	<u>(36)</u>	<u>1,062</u>
Tax expense	(417)	-	(9)	(12)	(235)	-	(673)
Consolidated profit/(loss) after taxation	<u>331</u>	<u>(126)</u>	<u>(15)</u>	<u>66</u>	<u>169</u>	<u>(36)</u>	<u>389</u>
Assets							
Segment assets/Consolidated total assets	51,191	537	10,863	157,664	80,457	39,276	<u>339,988</u>
Liabilities							
Segment liabilities/Consolidated total liabilities	30,660	26	91	63,342	127	199	<u>94,445</u>

Part A

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

A9. Operating Segment Information (Cont’d)

	IT and ICT Division RM'000	Construction Division RM'000	Property Investment Division RM'000	Property Development Division RM'000	Moneylending Business Division RM'000	Investment Holding Division RM'000	The Group RM'000
Current quarter ended							
31 December 2020							
Revenue							
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 adjustments							(1)
Consolidated revenue							<u>52,232</u>
Results							
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	-	-	-	(1,457)	-	-	(1,457)
Interest expense on lease liabilities	(120)	-	-	-	(4)	-	(124)
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>
Assets							
Segment assets/Consolidated total assets	51,479	388	10,984	145,232	78,365	44,294	<u>330,742</u>
Liabilities							
Segment liabilities/Consolidated total liabilities	33,109	27	69	112,649	756	155	<u>146,765</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 2022, 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.

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 17 February 2022 (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 2022 (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 December 2021 RM'000	Preceding Year Corresponding Quarter 31 December 2020 RM'000	Current Year To-date 31 December 2021 RM'000	Preceding Year Corresponding Period 31 December 2020 RM'000
Administrative expenses charged to a related party	-*	4	2	11
Professional services charged by a related party	17	11	39	56
Fee charged for services rendered by a related party	-	240	-	240
Key management personnel:-				
- salaries and allowances	337	284	1,009	632
- defined contribution plans	39	34	119	75
- others	1	1	3	2
- fee	72	72	216	215

*- Amount less than RM1,000

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

There have been no significant changes in the business or economic circumstances that affect the fair value of the Group’s financial assets and financial liabilities in the current financial 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	
	31.12.2021 RM'000	31.12.2020 RM'000		31.12.2021 RM'000	31.12.2020 RM'000	
Revenue:-						
IT and ICT Division	45,985	50,154	(8.3)	132,834	134,884	(1.5)
Construction Division	-	-	-	-	-	-
Property Investment Division	69	45	53.3	194	161	20.5
Property Development Division	(650)	784	(182.9)	173	(484)	135.7
Moneylending Business Division	909	1,030	(11.7)	2,333	3,573	(34.7)
Investment Holding Division	250	219	14.2	688	809	(15.0)
	46,563	52,232	(10.9)	136,222	138,943	(2.0)
Profit/(Loss) before taxation ("PBT/(LBT"):-						
IT and ICT Division	748	882	(15.2)	2,874	2,759	4.2
Construction Division	(126)	(128)	(1.6)	(377)	(420)	(10.2)
Property Investment Division	(6)	(55)	(89.1)	(44)	2,361	(101.9)
Property Development Division	78	(1,319)	105.9	(2,148)	(4,366)	(50.8)
Moneylending Business Division	404	478	(15.5)	817	2,415	(66.2)
Investment Holding Division	(36)	(112)	(67.9)	(129)	(380)	(66.1)
	1,062	(254)	518.1	993	2,369	(58.1)

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's corresponding quarter has decreased mainly due to the decrease in revenue in the IT and ICT Division and Property Development Division. The decrease in revenue from the IT and ICT division was mainly due to the decrease in sales of gadget and networking products. The decrease in revenue in the Property Development Division was mainly due to the revocation of sold units by existing purchasers.

Despite the decrease in revenue in the current quarter under review, the Group recorded profit in the current quarter under review mainly due to lesser staff cost incurred in the IT and ICT division and lesser finance costs incurred in the Property Development Division.

IT and ICT Division

The movement in revenue and PBT in the current quarter under review as compared to the preceding year's corresponding quarter is as explained above.

Construction Division

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

Property Investment Division

The increase in revenue in the current quarter was mainly due to higher rental income generated from the investment properties. Higher rental income coupled with lesser staff costs incurred have led to lower LBT in the current quarter.

The profit recorded in the preceding year's corresponding period was due to the gain from the disposal of an investment property.

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 in the current quarter is as explained above. However, the PBT was not affected mainly due to lesser finance costs incurred in the current quarter under review.

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's corresponding quarter were mainly due to the lower interest income earned.

Investment Holding Division

The increase in revenue and lower LBT in the current quarter as compared to the preceding year corresponding quarter was mainly due to higher interest income received from short-term investments and lesser staff cost 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 31.12.2021 RM'000	Immediate Preceding Quarter 30.9.2021 RM'000	Changes %
Revenue:-			
IT and ICT Division	45,985	46,200	(0.5)
Construction Division	-	-	-
Property Investment Division	69	69	-
Property Development Division	(650)	216	(400.9)
Moneylending Business Division	909	657	38.4
Investment Holding Division	250	181	38.1
	46,563	47,323	(1.6)
PBT/(LBT):-			
IT and ICT Division	748	1,356	(44.8)
Construction Division	(126)	(124)	1.6
Property Investment Division	(6)	(25)	(76.0)
Property Development Division	78	(883)	108.8
Moneylending Business Division	404	119	239.5
Investment Holding Division	(36)	(98)	(63.3)
	1,062	345	207.8

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 the Property Development Division. The decrease in revenue from the Property Development Division was mainly due to the revocation of sold units by existing purchasers.

The higher PBT recorded in the current quarter as compared to the immediate preceding quarter was mainly due to the lesser finance costs incurred in the Property Development Division.

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 mainly due to the decrease in sales of notebooks.

The lower PBT in the current quarter as compared to the immediate preceding quarter was mainly due to the lesser rental rebates received from landlords and higher staff cost incurred.

Construction Division

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

Property Investment Division

The rental income earned was consistent in both quarters and there were no material movements in LBT in this division.

Property Development Division

The reversal of the revenue during the current quarter under review is as explained above. PBT recorded was mainly due to lesser finance costs incurred.

Moneylending Business Division

The increase in revenue and higher PBT recorded in the current quarter under review were mainly due to the higher interest income earned.

Investment Holding Division

The increase in revenue and lower LBT recorded in the current quarter were mainly due to higher interest income earned in this division.

B3. Commentary on Prospects

The Board wishes to highlight that the COVID-19 pandemic has and will affect the Group in various ways. Even though demand for IT and ICT gadgets has been good but this may fluctuate. Similarly, in respect of our other divisions, the pandemic may play a role and affect the Group's performance whether positively or negatively.

The Board is hopeful that as economic activity normalises with lesser operational restrictions enforced by the Malaysian Government and the encouraging progress of vaccination programme, the Group is of the view that the market outlook for the remaining year 2022 to be more positive.

The Board will continue to seek for more opportunities and assess all factors and angles before deciding to undertake any such possibilities. Nevertheless, the Group will uphold its stance to remain cautious in its 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 31.12.2021 RM'000	Preceding Corresponding Quarter 31.12.2020 RM'000	Current Year To-date 31.12.2021 RM'000	Preceding Year Corresponding Period 31.12.2020 RM'000
Current tax expense:				
- For the current financial period	(320)	(313)	(1,008)	(1,488)
- Underprovision in the previous financial year	(341)	(93)	(341)	(93)
	(661)	(406)	(1,349)	(1,581)
Deferred tax expense:				
- For the current financial period	(12)	10	6	(7)
	(673)	(396)	(1,343)	(1,588)
Real Property Gains Tax	-	-	-	(594)
	(673)	(396)	(1,343)	(2,182)

B6. Status of Corporate Proposals

Other than the proposed private placement of up to 388,463,200 new Vortex Shares, representing up to 40% of Vortex Shares in issue (excluding treasury shares, if any), there were no other corporate proposals as at 17 February 2022 (the latest practicable date not earlier than seven (7) days from the date of issue of this report) pending 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 Holdings Berhad (“TA Securities”) on behalf of the Board of Directors of Vortex (“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 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 31 December 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	(1,213)	21,976	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	(32,536)	22,353	

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

Utilisation of proceeds	Utilisation of proceeds (RM'000)	Amount utilised at 31 December 2021 (RM'000)	Balance of proceeds (RM'000)	Timeframe for utilisation*
	(A)	(B)	(A-B)	
Repayment of bank borrowings ⁽¹⁾	47,970	(47,686)	284	Within 12 months*
Working capital for 'The Louvre' project and/or the Group's moneylending business	7,632 [#]	(4,593)	3,039	Within 24 months*
Estimated expenses in relation to the corporate exercises	949 [#]	(949)	-	Within 1 month
TOTAL	56,551	(53,228)	3,323	

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.

[^] The credit facilities have been fully settled on 23 December 2021. The balance of proceeds of RM284,000 has been allocated to the working capital for 'The Louvre' project and/or the Group's moneylending business.

Part B

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

B8. Details of Group Borrowings and Debt Securities

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

	As at 31.12.2021	As at 31.12.2020
	RM'000	RM'000
Current		
Lease liabilities	2,229	2,046
Term loans	-	55,520
	<hr/>	<hr/>
	2,229	57,566
Non-current		
Lease liabilities	1,907	3,590
	<hr/>	<hr/>
	4,136	61,156
	<hr/>	<hr/>

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.

On 23 December 2021, the term loans have been fully repaid according to revised repayment schedule.

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. Earnings/(Loss) per Share

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

	Individual Quarter		Cumulative Period	
	Current Year Quarter 31.12.2021	Preceding Year Corresponding Quarter 31.12.2020	Current Year To-date 31.12.2021	Preceding Year Corresponding Period 31.12.2020
Profit/(Loss) after taxation attributable to the owners of the Company (RM'000)	389	(636)	(344)	176
Weighted average number of ordinary shares in issue	718,249,338	299,932,732	660,033,868	254,649,009
Basic earnings/(loss) per share (sen)	0.05	(0.21)	(0.05)	0.07
Diluted earnings/(loss) per share (sen)	0.05	(0.21)	(0.05)	0.07

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

	Individual Quarter		Cumulative Period	
	Current Year Quarter 31.12.2021	Preceding Year Corresponding Quarter 31.12.2020	Current Year To-date 31.12.2021	Preceding Year Corresponding Period 31.12.2020
	RM'000	RM'000	RM'000	RM'000
Interest income	258	223	717	820
Interest expense on lease liabilities	128	124	340	416
Depreciation of property and equipment	235	223	685	656
Depreciation of investment properties	41	40	122	94
Depreciation of right-of-use assets	544	559	1,621	1,724
Equipment written off	-	-	-	6
Net interest expense	(188)	1,457	1,813	5,316
Net realisation of fair value arising from the acquisition of a subsidiary	6	68	100	49
Reversal of provision for liquidated ascertained damages	-	49	-	1,134
Gain on disposal of an investment property	-	-	-	2,543
Gain on modification of leases	-	-	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 24 February 2022.