



VORTEX CONSOLIDATED BERHAD

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

Year 2022

**Quarterly Announcement
For The Quarter Ended 31 March 2022**

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

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 MARCH 2022

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year Quarter 31 March 2022 <u>(Unaudited)</u> RM'000	Preceding Year Corresponding Quarter 31 March 2021 <u>(Unaudited)</u> RM'000	Current Year To- date 31 March 2022 <u>(Unaudited)</u> RM'000	Preceding Year Corresponding Period 31 March 2021 <u>(Unaudited)</u> RM'000
Revenue	32,245	46,899	168,467	185,842
Cost of sales	(30,109)	(40,496)	(149,195)	(161,761)
Gross profit	<u>2,136</u>	<u>6,403</u>	<u>19,272</u>	<u>24,081</u>
Other income	13,219	584	13,667	3,966
	<u>15,355</u>	<u>6,987</u>	<u>32,939</u>	<u>28,047</u>
Operating expenses	(7,184)	(17,371)	(21,622)	(30,330)
Finance costs	(2,047)	(1,503)	(4,200)	(7,235)
Profit/(Loss) before taxation	<u>6,124</u>	<u>(11,887)</u>	<u>7,117</u>	<u>(9,518)</u>
Tax expense	(160)	339	(1,503)	(1,843)
Profit/(Loss) after taxation/ Total comprehensive income/(expenses)	<u>5,964</u>	<u>(11,548)</u>	<u>5,614</u>	<u>(11,361)</u>
Profit/(Loss) after taxation attributable to:-				
Owners of the Company	5,974	(11,562)	5,630	(11,386)
Non-controlling interests	(10)	14	(16)	25
	<u>5,964</u>	<u>(11,548)</u>	<u>5,614</u>	<u>(11,361)</u>
Total comprehensive income/(expenses) attributable to:-				
Owners of the Company	5,974	(11,562)	5,630	(11,386)
Non-controlling interests	(10)	14	(16)	25
	<u>5,964</u>	<u>(11,548)</u>	<u>5,614</u>	<u>(11,361)</u>
Earnings/(Loss) per share [EPS/(LPS)] (in sen)				
Basic EPS/(LPS)	0.77	(3.49)	0.82	(4.16)
Diluted EPS/(LPS)	0.77	(3.49)	0.82	(4.16)

(The Condensed Consolidated Statements 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 STATEMENTS OF FINANCIAL POSITION
FOR THE QUARTER ENDED 31 MARCH 2022

	(UNAUDITED)	(AUDITED)
	As at	As at
	31 March 2022	31 March 2021
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property and equipment	8,529	5,521
Investment properties	10,638	10,800
Right-of-use assets	35,690	7,762
Land held for property development	11,366	11,133
Other investment	-	2,500
Goodwill on consolidation	5,774	5,774
	71,997	43,490
Current Assets		
Inventories	22,098	19,559
Property development costs	149,059	131,158
Trade and other receivables	64,430	71,390
Current tax assets	2,116	1,479
Short-term investments	43,921	40,298
Cash and bank balances	18,512	10,163
	300,136	274,047
TOTAL ASSETS	372,133	317,537
EQUITY AND LIABILITIES		
EQUITY		
Share capital	261,958	188,775
Reserves	14,526	(10,389)
Equity attributable to owners of the Company	276,484	178,386
Non-controlling interests	529	545
TOTAL EQUITY	277,013	178,931
Non-Current Liabilities		
Lease liabilities	1,400	3,436
Deferred tax liabilities	5,131	5,114
	6,531	8,550
Current Liabilities		
Trade and other payables	82,144	76,510
Lease liabilities	2,118	2,051
Contract liability	4,321	3,417
Term loans	-	48,078
Current tax liabilities	6	-
	88,589	130,056
TOTAL LIABILITIES	95,120	138,606
TOTAL EQUITY AND LIABILITIES	372,133	317,537
Net assets per share (sen)	25.77	53.63

(The Condensed Consolidated Statements 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 STATEMENTS OF CHANGES IN EQUITY
FOR THE TWELVE (12) MONTHS ENDED 31 MARCH 2022

	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
12 months ended 31 March 2021								
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 December 2021	-	-	-	-	(11,386)	(11,386)	25	(11,361)
Balance as at 31 March 2021	188,775	3,413	-	6,897	(20,699)	178,386	545	178,931
12 months ended 31 March 2022								
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	28,969	-	-	(11,798)	-	17,171	-	17,171
- Private Placement III	19,924	-	-	-	-	19,924	-	19,924
- Share issuance expenses	(1,178)	-	-	-	-	(1,178)	-	(1,178)
Total transactions with owners	73,183	-	-	19,285	-	92,468	-	92,468
Profit after taxation for the 12 months ended 31 March 2022	-	-	-	-	5,630	5,630	(16)	5,614
Balance as at 31 March 2022	261,958	3,413	-	26,182	(15,069)	276,484	529	277,013

(The Condensed Consolidated Statements 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 STATEMENTS OF CASH FLOW
FOR THE TWELVE (12) MONTHS ENDED 31 MARCH 2022

	(UNAUDITED) CURRENT PERIOD-TO-DATE 12 MONTHS ENDED 31 March 2022 RM'000	(UNAUDITED) CORRESPONDING PERIOD-TO-DATE 12 MONTHS ENDED 31 March 2021 RM'000
CASH FLOW FROM/(FOR) OPERATING ACTIVITIES		
Profit/(Loss) before taxation	7,117	(9,518)
Adjustments for non-cash items:		
Bad debts written off	-	-*
Deposit written off	-*	-
Depreciation of property and equipment	896	872
Depreciation of right-of-use assets	2,150	2,279
Depreciation of investment properties	162	134
Equipment written off	-	13
Impairment loss on a trade receivable	1,308	6,470
Impairment loss on land held for development	-	3,277
Interest expense	3,813	6,691
Interest expense on lease liabilities	387	544
Gain on disposal of an investment property	-	(2,543)
COVID-19-related rent concession	(383)	(698)
Interest income	(938)	(991)
Gain on modification of leases	(9)	(19)
Net realisation/(reversal) of fair value arising from the acquisition of a subsidiary	159	(405)
Bargain purchase gain on acquisition of a subsidiary	(11,685)	-
Operating profit before changes in working capital	<u>2,977</u>	<u>6,106</u>
Net change in inventories	(2,523)	(4,052)
Net change in trade & other receivables	4,605	(45,273)
Net change in contract liability	910	196
Net change in trade & other payables	4,146	14,000
Cash flow from/(for) operations	<u>10,115</u>	<u>(29,023)</u>
Net income tax paid	(2,116)	(2,108)
Interest received	898	977
Interest paid	(2,000)	(2,004)
Net cash from/(for) operating activities	<u>6,897</u>	<u>(32,158)</u>
CASH FLOW FOR INVESTING ACTIVITIES		
Interest income received	40	14
Purchase of equipment	(140)	(280)
Purchase of other investment	-	(2,500)
Proceeds from disposal of other investment	2,500	-
Development costs paid	(18,188)	(16,007)
Proceeds from disposal of an investment property, net of fee and tax	-	9,900
Acquisition of a subsidiary, net of cash and cash equivalents acquired	(20,973)	(2,642)
Net cash for investing activities	<u>(36,761)</u>	<u>(11,515)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from subscription of shares in a subsidiary by non-controlling interests	-	583
Proceeds from Rights Issue of Shares with Warrants C	56,551	-
Proceeds from conversion of ICPS	-	55,095
Proceeds from Private Placement I	-	7,962
Proceeds from Private Placement II	-	6,020
Proceeds from Private Placement III	19,924	-
Share issuance expenses	(1,178)	(206)
Proceeds from exercise of Warrants C	17,171	-
Net repayment of lease liabilities	(2,079)	(1,833)
Net repayment of term loans	(48,553)	(18,370)
Net cash from financing activities	<u>41,836</u>	<u>49,251</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	11,972	5,578
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	50,461	44,883
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u>1</u> <u>62,433</u>	<u>50,461</u>

Note:-

* - Amount less than RM1,000

Note 1

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

	31 March 2022 RM'000
Short-term investments	43,921
Cash and bank balances	18,512
	<u>62,433</u>

(The Condensed Consolidated Statements 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 MARCH 2022

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 financial 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, 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 C (“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.

	No. of shares issued resulting from
Listing Date	Exercise of Warrants C
17 February 2022	24,707,300
25 February 2022	9,478,500
Total	34,185,800

As at 31 March 2022, the ICPS, Warrants B and Warrants C of the Company was 21,301,072, 18,430,501 and 165,114,772 respectively. The Company does not have any other existing convertible securities.

In addition, 306,524,700 new Vortex Shares have been issued and allotted on 24 March 2022 pursuant to a private placement which was announced on 2 September 2021 and approved by Bursa Securities on 6 October 2021 (“Private Placement III”).

Other than disclosed above, 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 March 2022							
Revenue							
External revenue	33,451	-	70	(2,341)	855	210	32,245
Inter-segment revenue	1	-	-	-	-	-	1
	<u>33,452</u>	<u>-</u>	<u>70</u>	<u>(2,341)</u>	<u>855</u>	<u>210</u>	<u>32,246</u>
Consolidation adjustment							(1)
Consolidated revenue							<u>32,245</u>
Results							
Segment results	265	(128)	34	(1,604)	371	(323)	(1,385)
Gain on modification of leases	-	-	-	-	7	-	7
Interest income	4	-	-	-*	7	-	11
Impairment loss on a trade receivable	-	-	-	-	(1,308)	-	(1,308)
Realisation of fair value arising from the acquisition of a subsidiary	-	-	-	(59)	-	-	(59)
Deposit written off	-*	-	-	-	-	-	-*
Depreciation of property and equipment	(121)	-	(1)	(8)	(68)	(13)	(211)
Depreciation of right-of-use assets	(501)	-	-	-	(15)	(13)	(529)
Depreciation of investment properties	-	-	(40)	-	-	-	(40)
Interest expense	-	-	-	(2,000)	-	-	(2,000)
Interest expense on lease liabilities	(46)	-	-	-	(1)	-	(47)
Bargain purchase gain on acquisition of a subsidiary	-	-	-	-	-	11,685	11,685
Consolidated (loss)/profit before taxation	<u>(399)</u>	<u>(128)</u>	<u>(7)</u>	<u>(3,671)</u>	<u>(1,007)</u>	<u>11,336</u>	<u>6,124</u>
Tax expense	(73)	-	(15)	11	(83)	-*	(160)
Consolidated (loss)/profit after taxation	<u>(472)</u>	<u>(128)</u>	<u>(22)</u>	<u>(3,660)</u>	<u>(1,090)</u>	<u>11,336</u>	<u>5,964</u>
Assets							
Segment assets/Consolidated total assets	80,701	399	10,820	164,359	67,316	48,538	<u>372,133</u>
Liabilities							
Segment liabilities/Consolidated total liabilities	27,889	16	94	66,866	101	154	<u>95,120</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
Current quarter ended							
31 March 2021							
Revenue							
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 adjustments							(1)
Consolidated revenue							<u>46,899</u>
Results							
Segment results	1,573	(103)	26	(182)	(1,732)	(103)	(521)
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>
Assets							
Segment assets/Consolidated total assets	50,305	946	10,951	145,778	63,992	45,565	<u>317,537</u>
Liabilities							
Segment liabilities/Consolidated total liabilities	31,749	21	74	106,358	174	230	<u>138,606</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 20 May 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 except as follows:-

- (i) On 28 April 2022, the Company announced to further vary the unutilised proceeds of RM13 million from the proposed development project under Kepayang Heights Sdn Bhd for the Group’s future projects and/or acquisition which has been identified as at the date of the announcement. This variation was not subject to any regulatory approvals or approvals from the Company’s shareholders as the amount of variation is less than 25% of the total rights issue proceeds pursuant to Rule 8.24 of the ACE Market Listing Requirements of Bursa Securities.
- (ii) On behalf of the Company, TA Securities Holdings Berhad (“TA Securities”) has on 28 April 2022 announced that the Company has on the same date entered into a conditional sale and purchase agreement with the developer, Aset Kayamas Sdn Bhd for the proposed acquisition of 187 units of proposed services apartments located on the 7th, 12th to 29th and 46th to 49th floors of Tower A, Antara @ Genting Highlands (an on-going property development on a freehold land held under Title No. GRN 45572, Lot 43031, Mukim and District of Bentong, State of Pahang Darul Makmur) for a total cash consideration of RM246,348,000.00 (“Proposed Acquisition”).

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:-

- (i) On 24 January 2022, Vortex Asset Management Sdn Bhd, a dormant wholly-owned subsidiary of the Company has been struck off from the Registrar of the Companies Commission of Malaysia pursuant to Section 550 of the Companies Act 2016.
- (ii) On 2 March 2022, the Company has entered into a Deed of Assignment with HM Gemumi Plantation Sdn Bhd to acquire 2,221,140 ordinary shares, representing the entire and paid-up share capital in Teras Gemumi Sdn Bhd (“TGSB”) for a total purchase consideration of RM21,033,150.00. The acquisition was completed on 25 March 2022. Accordingly, TGSB became a wholly-owned subsidiary of the Company.

Part A

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

A12. Changes in Contingent Liabilities and Contingent Assets since the Last Annual Balance Sheet Date

Since the last annual balance sheet date, there were no material changes in contingent liabilities and contingent assets for the Group as at 20 May 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 20 May 2022 (the latest practicable date not earlier than seven (7) days from the date of issue of this report) except as follows:

	RM'000
Approved and contracted for:	
- Investment properties under construction	221,713

A14. Related Party Transactions

The Group's related party transactions are as follows:

	Individual Quarter		Cumulative Period	
	Current Year Quarter 31 March 2022 RM'000	Preceding Year Corresponding Quarter 31 March 2021 RM'000	Current Year To-date 31 March 2022 RM'000	Preceding Year Corresponding Period 31 March 2021 RM'000
Administrative expenses charged to a related party	-	3	2	14
Administrative expenses charged by a related party	1	-	1	-
Professional services charged by a related party	11	11	50	67
Fee charged for services rendered by a related party	-	-	-	240
Key management personnel:-				
- salaries and allowances	408	1,535	1,417	2,167
- defined contribution plans	49	184	168	259
- others	1	1	4	3
- fee	74	72	290	287

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	
	31.3.2022 RM'000	31.3.2021 RM'000		31.3.2022 RM'000	31.3.2021 RM'000	
Revenue:-						
IT and ICT Division	33,451	44,612	(25.0)	166,285	179,496	(7.4)
Construction Division	-	-	-	-	-	-
Property Investment Division	70	51	37.3	264	212	24.5
Property Development Division	(2,341)	1,887	(224.1)	(2,168)	1,403	(254.5)
Moneylending Business Division	855	181	372.4	3,188	3,754	(15.1)
Investment Holding Division	210	168	25.0	898	977	(8.1)
	32,245	46,899	(31.2)	168,467	185,842	(9.3)
(Loss)/Profit before taxation ("LBT)/PBT):-						
IT and ICT Division	(399)	761	(152.4)	2,475	3,520	(29.7)
Construction Division	(128)	(103)	24.3	(505)	(523)	(3.4)
Property Investment Division	(7)	(16)	(56.3)	(51)	2,345	(102.2)
Property Development Division	(3,671)	(4,161)	(11.8)	(5,819)	(8,527)	(31.8)
Moneylending Business Division	(1,007)	(8,236)	(87.8)	(190)	(5,821)	(96.7)
Investment Holding Division	11,336	(132)	8,687.9	11,207	(512)	2,288.9
	6,124	(11,887)	151.5	7,117	(9,518)	174.8

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 notebooks and Do-It-Yourself ("DIY") products. The decrease in revenue in the Property Development Division was mainly due to the provision for liquidated ascertained damages recognised in the current quarter under review.

Despite the decrease in revenue in the current quarter under review, the Group recorded profit in the current quarter under review mainly due to the bargain purchase gain arising from the acquisition of a subsidiary. The loss recorded in the preceding year's corresponding quarter was mainly due to the allowance for impairment loss recognised for a receivable and a land held for development in Moneylending Business Division and Property Development Division, respectively.

IT and ICT Division

The decrease in revenue in the current quarter under review as compared to the preceding year's corresponding quarter is as explained above. The LBT recorded in the current quarter is mainly due to the decrease in revenue and lesser rental rebates received from landlords.

Construction Division

The losses 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 under review is as explained above.

The relatively high LBT recorded in the preceding year corresponding quarter as compared to current quarter under review was mainly due to the impairment loss for a land held for development in this division.

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 relatively low revenue generated in preceding year's corresponding quarter as compared to current quarter under review was mainly due to the revision of interest rate charged to existing customers in the preceding year's corresponding quarter.

The LBT recorded in the current quarter was mainly due to the allowance for impairment loss for a receivable in this division. Whereas, LBT recorded in the preceding year's corresponding quarter was mainly due to lower revenue as explained above and impairment loss for a receivable.

Investment Holding Division

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

The profit recorded in the current quarter under review was mainly due to the bargain purchase gain arising from the acquisition of a subsidiary.

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

	Current Quarter 31.3.2022 RM'000	Immediate Preceding Quarter 31.12.2021 RM'000	Changes %
Revenue:-			
IT and ICT Division	33,451	45,985	(27.3)
Construction Division	-	-	-
Property Investment Division	70	69	1.4
Property Development Division	(2,341)	(650)	260.2
Moneylending Business Division	855	909	(5.9)
Investment Holding Division	210	250	(16.0)
	32,245	46,563	(30.7)
(LBT)/PBT:-			
IT and ICT Division	(399)	748	(153.3)
Construction Division	(128)	(126)	1.6
Property Investment Division	(7)	(6)	16.7
Property Development Division	(3,671)	78	(4,806.4)
Moneylending Business Division	(1,007)	404	(349.3)
Investment Holding Division	11,336	(36)	31,588.9
	6,124	1,062	476.6

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)

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 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 notebooks and DIY products. The decrease in revenue from Property Development Division was mainly due to the provision for liquidated ascertained damages recognised in the current quarter under review.

The higher PBT recorded in the current quarter as compared to the immediate preceding quarter was mainly due to the bargain purchase gain arising from the acquisition of a subsidiary.

IT and ICT Division

The decrease in revenue in the current quarter under review as compared to the immediate preceding quarter is as explained above. The loss recorded in the current quarter was mainly due to higher staff costs incurred in this division.

Construction Division

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

Property Investment Division

The rental income earned was fairly consistent for 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.

In addition to the reversal of revenue, the higher LBT recorded in the current quarter as compared to the immediate preceding quarter was mainly due to the finance costs incurred.

Moneylending Business Division

There was no material movement in revenue in this division.

The loss recorded in the current quarter under review was mainly due to the allowance for impairment loss on a receivable.

Investment Holding Division

The decrease in revenue in the current quarter was mainly due to lower interest income earned.

The profit recorded in the current quarter as compared to the immediate preceding quarter was mainly due to the bargain purchase gain arising from the acquisition of a subsidiary.

Part B

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

B3. Commentary on Prospects

The transition to the endemic phase and reopening of Malaysia's borders have clearly provided a positive impact to the Malaysian economy. While the domestic demand is expected to improve as economy activities have slowly recovered to pre-pandemic stage, the uncertainties arising from the global wheat shortage and higher crude oil and gas prices amid fears of a global economic shock from Russia's invasion of Ukraine posing threats to higher inflation rate in Malaysia and thus rising cost of living.

As major part of our revenue dependent on the general well-being of the retail or consumers spending, the demand for IT and ICT products is expected to fluctuate. Other than the core business, the Group's other businesses also include property development, construction and investment and moneylending services and with the recent acquisition of a plantation company, it enables the Group to diversify its revenue and income streams.

The Board will take a cautious risk-adjusted approach towards the deployment of funds to existing portfolios while continue to seek for more opportunities and assess all factors and angles before deciding to undertake any such possibilities.

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.

Part B

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

B5. Tax Expense

The tax expense is as follows:

	Individual Quarter		Cumulative Period	
	Current Year Quarter 31.3.2022 RM'000	Preceding Corresponding Quarter 31.3.2021 RM'000	Current Year To-date 31.3.2022 RM'000	Preceding Year Corresponding Period 31.3.2021 RM'000
Current tax expense:				
- For the current financial period	(170)	325	(1,178)	(1,163)
- (Under)/Overprovision in the previous financial year	(1)	1	(342)	(92)
	<u>(171)</u>	<u>326</u>	<u>(1,520)</u>	<u>(1,255)</u>
Deferred tax expense:				
- For the current financial period	11	13	17	6
	<u>(160)</u>	<u>339</u>	<u>(1,503)</u>	<u>(1,249)</u>
Real Property Gains Tax	-	-	-	(594)
	<u>(160)</u>	<u>339</u>	<u>(1,503)</u>	<u>(1,843)</u>

B6. Status of Corporate Proposals

It marked the completion of the Private Placement III following the listing of 306,524,700 new Vortex Shares on 29 March 2022 on the ACE Market of Bursa Securities.

There were no other corporate proposals as at 20 May 2022 (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 Acquisition 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 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 March 2022, 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 March 2022 (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	(1,277)	21,912	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	(32,600)	22,289	

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.

The Company had on 28 April 2022 announced to further vary the unutilised proceeds of RM13 million from the proposed development project under Kepayang Heights Sdn Bhd for the Group's future projects and/or acquisition which has been identified as at the date of the announcement. This variation was not subject to any regulatory approvals or approvals from the Company's shareholders as the amount of variation is less than 25% of the total rights issue proceeds pursuant to Rule 8.24 of the ACE Market Listing Requirements of Bursa Securities.

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 March 2022, the proceeds raised from the Rights Issue of Shares with Warrants C has been fully utilised as follows:-

Utilisation of proceeds	Utilisation of proceeds (RM'000)	Amount utilised at 31 March 2022 (RM'000)	Balance of proceeds (RM'000)	Timeframe for utilisation*
	(A)	(B)	(A-B)	
Repayment of bank borrowings ^{(1)^}	47,686	(47,686)	-	Within 12 months*
Working capital for 'The Louvre' project and/or the Group's moneylending business ^{#^}	7,916	(7,916)	-	Within 24 months*
Expenses in relation to the corporate exercises [#]	949	(949)	-	Within 1 month
TOTAL	56,551	(56,551)	-	

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

On 29 March 2022, the Company has completed a private placement of 306,524,700 new Vortex Shares at an issue price of RM0.065 each following the listing of 306,524,700 new Vortex Shares in the ACE Market of Bursa Securities.

At 31 March 2022, the status of the utilisation of proceeds raised from Private Placement III is as follows:-

Utilisation of proceeds	Utilisation of proceeds (RM'000)	Amount utilised at 31 March 2022 (RM'000)	Balance of proceeds (RM'000)	Timeframe for utilisation*
	(A)	(B)	(A-B)	
Working capital for 'The Louvre' project	19,684	-	19,684	Within 12 months*
Estimated expenses in relation to the corporate exercise	240	(228)	12 [#]	Within 1 month
TOTAL	19,924	(228)	19,696	

Notes:

* From 29 March 2022 (being the date of completion of the Private Placement III).

As the actual expenses for the corporate exercise were lower than the estimated expenses for the said corporate exercise, hence the surplus (i.e approximately RM12,000) will be re-allocated to the working capital for 'The Louvre' project.

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 31.3.2022 RM'000	As at 31.3.2021 RM'000
Current		
Lease liabilities	2,118	2,051
Term loans	-	48,078
	<hr/>	<hr/>
	2,118	50,129
Non-current		
Lease liabilities	1,400	3,436
	<hr/>	<hr/>
	3,518	53,565
	<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 the 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.

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 31.3.2022	Preceding Year Corresponding Quarter 31.3.2021	Current Year To-date 31.3.2022	Preceding Year Corresponding Period 31.3.2021
Profit/(Loss) after taxation attributable to the owners of the Company (RM'000)	5,974	(11,562)	5,630	(11,386)
Weighted average number of ordinary shares in issue	775,623,059	330,834,884	688,535,311	273,434,567
Basic earnings/(loss) per share (sen)	0.77	(3.49)	0.82	(4.16)
Diluted earnings/(loss) per share (sen)	0.77	(3.49)	0.82	(4.16)

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 31.3.2022 RM'000	Preceding	Current Year To-date 31.3.2022 RM'000	Preceding
		Year		Year
		Corresponding Quarter 31.3.2021 RM'000		Corresponding Period 31.3.2021 RM'000
Interest income	221	171	938	991
Interest expense	2,000	1,375	3,813	6,691
Interest expense on lease liabilities	47	128	387	544
Bad debts written off	-	-*	-	-*
Depreciation of property and equipment	211	216	896	872
Depreciation of investment properties	40	40	162	134
Depreciation of right-of-use assets	529	555	2,150	2,279
Deposit written off	-*	-	-*	-
Equipment written off	-	7	-	13
Impairment loss on a trade receivable	1,308	6,470	1,308	6,470
Impairment loss on land held for development	-	3,277	-	3,277
Reversed the reversal of provision for liquidated ascertained damages	-	1,134	-	-
Net realisation of fair value arising from the acquisition of a subsidiary	59	454	159	-
Net reversal of fair value arising from the acquisition of a subsidiary	-	-	-	405
Gain on disposal of an investment property	-	-	-	2,543
Gain on modification of leases	7	19	9	19
Bargain purchase gain on acquisition of a subsidiary	11,685	-	11,685	-

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 27 May 2022.