



VORTEX CONSOLIDATED BERHAD

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

Year 2020

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

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

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

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year Quarter 31 March 2020 (Unaudited) RM'000	Preceding Year Corresponding Quarter 31 March 2019 (Unaudited) RM'000	Current Year To-date 31 March 2020 (Unaudited) RM'000	Preceding Year Corresponding Period 31 March 2019 (Unaudited) RM'000
Revenue	29,975	32,195	142,783	156,330
Cost of sales	(26,340)	(28,287)	(126,760)	(139,358)
Gross profit	3,635	3,908	16,023	16,972
Other income	3,126	178	3,450	199
	6,761	4,086	19,473	17,171
Operating expenses	(8,476)	(3,802)	(23,584)	(15,972)
Finance costs	(2,106)	(2)	(7,609)	(8)
(Loss)/Profit before taxation	(3,821)	282	(11,720)	1,191
Income tax expense	(393)	(93)	(699)	(905)
(Loss)/Profit after taxation	(4,214)	189	(12,419)	286
Total comprehensive (expenses)/income	(4,214)	189	(12,419)	286
(Loss)/Profit after taxation attributable to:-				
Owners of the Company	(4,243)	189	(12,194)	287
Non-controlling interests	29	-	(225)	(1)
	(4,214)	189	(12,419)	286
Total comprehensive (expenses)/income attributable to:-				
Owners of the Company	(4,243)	189	(12,194)	287
Non-controlling interests	29	-	(225)	(1)
	(4,214)	189	(12,419)	286
(Loss)/Earning per share [(LPS)/EPS] (in sen)				
Basic (LPS)/EPS	(0.92)	0.05	(3.02)	0.05
Diluted (LPS)/EPS	(0.92)	0.05	(3.02)	0.05

(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 2019 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
AS AT 31 MARCH 2020

	(UNAUDITED)	(AUDITED)
	As at	As at
	31 March 2020	31 March 2019
	RM'000	RM'000
ASSETS:		
Non-Current Assets:		
Property and equipment	6,058	8,958
Investment properties	8,323	16,524
Land held for property development	14,200	13,846
Right-of-use assets	9,761	-
Goodwill on consolidation	5,774	5,764
	44,116	45,092
Current Assets:		
Intangible asset	1,831	-
Inventories	15,507	16,626
Property development costs	115,381	-
Trade and other receivables	35,741	20,284
Current tax assets	948	1,854
Short-term investments	26,287	3,322
Cash and bank balances	18,596	13,065
	214,291	57,151
Asset classified as held for sale	7,951	-
	222,242	57,151
TOTAL ASSETS	266,358	102,243
EQUITY AND LIABILITIES:		
EQUITY		
Share capital	89,186	65,121
Reserves	31,715	6,367
Equity attributable to owners of the Company	120,901	71,488
Non-controlling interests	(63)	(33)
TOTAL EQUITY	120,838	71,455
Non-Current Liabilities:		
Lease liabilities	5,056	-
Hire purchase payables	-	226
Deferred tax liabilities	4,393	65
	9,449	291
Current Liabilities:		
Trade and other payables	71,368	30,420
Lease liabilities	2,157	-
Hire purchase payables	-	61
Term loans	62,204	-
Current tax liabilities	315	16
	136,044	30,497
Liability classified as held for sale	27	-
	136,071	30,497
TOTAL LIABILITIES	145,520	30,788
TOTAL EQUITY AND LIABILITIES	266,358	102,243
Net assets per share (sen)	25.09	23.44

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2019 and the accompanying explanatory notes attached to the interim financial statements.)

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE TWELVE (12) MONTHS ENDED 31 MARCH 2020

	← Non-Distributable →			Distributable		Attributable To Owners of the Company	Non- Controlling Interests	Total
	Share Capital	Warrants Reserve	Irredeemable Convertible Preference Shares ("ICPS")	Share Premium	Retained Profits /(Accumulated Loss)			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
12 months ended 31 March 2019								
Balance as at 1 April 2018	59,880	-	-	5,241	6,080	71,201	(108)	71,093
Profit/(Loss) after taxation for the 12 months ended 31 March 2019	-	-	-	-	287	287	(1)	286
Contributions by and distribution to owners of the Company								
- Acquisition of a subsidiary	-	-	-	-	-	-	6	6
- Issuance of shares to non-controlling interests by subsidiaries	-	-	-	-	-	-	70	70
- Transfer to share capital upon implementation of the Companies Act 2016	5,241	-	-	(5,241)	-	-	-	-
	5,241	-	-	(5,241)	-	-	76	76
Balance as at 31 March 2019	65,121	-	-	-	6,367	71,488	(33)	71,455
12 months ended 31 March 2020								
Balance as at 1 April 2019	65,121	-	-	-	6,367	71,488	(33)	71,455
Contributions by and distribution to owners of the Company:								
- Rights Issue of Shares with Warrants	2,024	7,124	-	-	-	9,148	-	9,148
- Rights Issue of ICPS	-	-	45,741	-	-	45,741	-	45,741
- Conversion of ICPS	17,107	-	(11,811)	-	-	5,496	-	5,496
- Exercise of Warrants	516	(226)	-	-	-	290	-	290
- Contribution from shareholders	5,500	-	-	-	-	5,500	-	5,500
	25,147	6,898	34,130	-	-	66,175	-	66,175
Change in a subsidiary ownership interests that does not result in a loss of control	-	-	-	-	(3,486)	(3,486)	86	(3,400)
Total transactions with owners	25,147	6,898	34,130	-	(3,486)	62,689	86	62,775
Expenses incurred in relation to the Rights Issues	(1,082)	-	-	-	-	(1,082)	-	(1,082)
Disposal of a subsidiary	-	-	-	-	-	-	109	109
Loss after taxation for the 12 months ended 31 March 2020	-	-	-	-	(12,194)	(12,194)	(225)	(12,419)
Balance as at 31 March 2020	89,186	6,898	34,130	-	(9,313)	120,901	(83)	120,838

(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 2019 and the accompanying explanatory notes attached to the Interim financial statements.)

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE TWELVE (12) MONTHS ENDED 31 MARCH 2020

	(UNAUDITED) CURRENT PERIOD-TO-DATE 12 MONTHS ENDED 31 March 2020 RM'000	(UNAUDITED) CORRESPONDING PERIOD-TO-DATE 12 MONTHS ENDED 31 March 2019 RM'000
CASH FLOW (FOR)/FROM OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(11,720)	1,191
Adjustments for non-cash items:		
Bad debts written off	10	-
Deposit written off	-	-
Depreciation of property and equipment	1,064	977
Depreciation of right-of-use assets	2,305	-
Depreciation of investment properties	251	253
Equipment written off	109	45
Impairment losses on receivables	-	1
Loss on disposal of a subsidiary	116	-
Realisation of fair value adjustments arising from the acquisition of a subsidiary	1,480	-
Interest expense	6,910	8
Interest expense on lease liabilities	700	-
Provision for liquidated ascertained damages	3,387	-
Gain on disposal of equipment	-	(102)
Interest income	(2,988)	(211)
Negative goodwill	(3,032)	-
Reversal of impairment losses on receivables	(10)	-
Unrealised gain on foreign exchange	-	-
Operating (loss)/profit before changes in working capital	(1,418)	2,162
Net change in land held for development	-	(239)
Net change in inventories	3,119	(598)
Net change in trade & other receivables	(6,742)	10,749
Net change in trade & other payables	(278)	304
Net change in amount due to a contract customer	-	(848)
Cash flow (for)/from operations	(5,319)	11,530
Net income tax received/(paid)	338	(1,229)
Interest received	2,662	130
Net cash (for)/from operating activities	(2,319)	10,431
CASH FLOW FOR INVESTING ACTIVITIES		
Interest received	17	15
Purchase of investment properties	-	(2,413)
Purchase of equipment	(1,333)	(1,530)
Proceed from disposal of a motor vehicle	-	180
Development costs paid	(18,979)	-
Acquisition of subsidiaries, net of cash and cash equivalents acquired	(1,576)	(12,102)
Additional investment in an existing subsidiary	(3,400)	-
Net cash for investing activities	(25,271)	(15,850)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from non-controlling interests	-	70
Proceeds from Rights Issues, net of expenses	53,807	-
Proceeds from conversion of ICPS	10,996	-
Proceeds from exercise of Warrants	290	-
Disposal of a subsidiary, net of cash and cash equivalents disposed	(10)	-
Net repayment of hire purchase obligations	-	(48)
Interest paid	(6,556)	(8)
Repayment of lease liabilities	(1,970)	-
Repayment of term loans	(471)	-
Net cash from financing activities	56,086	14
NET CHANGE IN CASH AND CASH EQUIVALENTS	28,496	(5,405)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	16,387	21,792
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	44,883	16,387

Note:-

* - Amount less than RM1,000

31 March 2020

RM'000

Note 1

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

Short-term investments	26,287
Cash and bank balances	18,596
	44,883

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2019 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 2020

Part A

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

A1. Basis of Preparation

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with MFRS 134 *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board (“MASB”), IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board and Paragraph 9.22 of the Ace Market Listing Requirements 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 2019. 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 2019.

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 2019 except for the adoption of the following:-

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

- MFRS 16: Leases
- IC Interpretation 23: Uncertainty Over Income Tax Treatments
- Amendments to MFRS 9: Prepayment Features with Negative Compensation
- Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement
- Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures
- Annual Improvements to MFRS Standards 2015 - 2017 Cycles

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 except as follows:-

MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and replaced the previous guidance on lease accounting. Under MFRS 16, the classification of leases as either finance leases or operating leases is eliminated for lessees. All lessees are required to recognise their lease assets and the related lease obligations in the statement of financial position (with limited exceptions) as right-of-use assets and lease liabilities respectively. The right-of-use assets are subject to depreciation and the interest on lease liabilities are calculated using the effective interest method.

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 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: Definition of a Business
- Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to MFRS 101 and MFRS 108: Definition of Material
- Amendments to References to the Conceptual Framework in MFRS Standards

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

A3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the audited financial statements for the financial year ended 31 March 2019 was not qualified.

A4. Seasonality or Cyclicity of Operations

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

A5. Unusual Items

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

A6. Material Changes in Estimates

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

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

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

Part A**Explanatory Notes Pursuant To Malaysian Financial Reporting Standards ("MFRS") 134 Interim Financial Reporting (Cont'd)****A7. Issuances, Repurchases, and Repayments of Debt and Equity Securities (Cont'd)**

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

During the quarter under review, the following shares have been issued and listed on the ACE Market of Bursa Securities on the following dates as a result of the conversion of ICPS. No warrants were exercised during the quarter under review.

Listing Date	No. of shares issued resulting from	
	Conversion of ICPS	Exercise of Warrants
15 January 2020	760,000	-
17 January 2020	462,000	-
20 January 2020	762,000	-
21 January 2020	767,500	-
21 January 2020	-	200,000
22 January 2020	892,200	-
23 January 2020	1,348,000	-
24 January 2020	454,000	-
28 January 2020	834,800	-
29 January 2020	2,200,000	85,000
30 January 2020	1,000,000	-
31 January 2020	1,060,298	-
4 February 2020	36,700,000	-
5 February 2020	433,333	-
10 February 2020	2,100,000	-
12 February 2020	1,450,000	-
2 March 2020	1,249,999	-
16 March 2020	900,000	-
17 March 2020	176,000	-
18 March 2020	100,000	-
23 March 2020	1,391,000	-
24 March 2020	2,620,000	-
Total	57,661,130	285,000

As at 31 March 2020, the outstanding ICPS and Warrants of the Company is 682,610,454 and 59,053,778 respectively. The Company does not have any other existing convertible securities.

Save as 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 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	Construction	Property Investment	Property Development	Moneylending	Investment Holding	The Group
	Division	Division	Division	Division	Division	Division	RM000
	RM000	RM000	RM000	RM000	RM000	RM000	RM000
Current quarter ended							
31 March 2020							
Revenue							
External revenue	31,121	-	116	(2,282)	761	259	29,975
Inter-segment revenue	2	-	-	-	-	-	2
	<u>31,123</u>	<u>-</u>	<u>116</u>	<u>(2,282)</u>	<u>761</u>	<u>259</u>	<u>29,977</u>
Consolidation adjustments							(2)
Consolidated revenue							<u>29,975</u>
Results							
Segment results	2,638	(152)	(15)	(278)	140	(196)	2,137
Interest income	2	-	-	2	1	-	5
Negative goodwill	-	-	-	3,032	-	-	3,032
Depreciation of property and equipment	(85)	-	-	(8)	(13)	20	(86)
Depreciation of right-of-use assets	(2,215)	-	-	-	(39)	(51)	(2,305)
Depreciation of investment properties	-	-	(59)	-	-	-	(59)
Equipment written off	(1)	-	-	(10)	-	-	(11)
Interest expense	9	-	-	(1,416)	-	-	(1,407)
Interest expense - lease liabilities	(692)	-	-	-	(8)	-	(700)
Provision for liquidated ascertained damages	-	-	-	(3,387)	-	-	(3,387)
Realisation of fair value adjustments arising from the acquisition of a subsidiary	-	-	-	(1,050)	-	-	(1,050)
Reversal of impairment losses on receivables	10	-	-	-	-	-	10
Consolidated (loss)/profit before taxation	<u>(334)</u>	<u>(152)</u>	<u>(74)</u>	<u>(3,115)</u>	<u>81</u>	<u>(227)</u>	<u>(3,821)</u>
Income tax expense	(141)	-	-	71	(323)	-	(393)
Consolidated loss after taxation	<u>(475)</u>	<u>(152)</u>	<u>(74)</u>	<u>(3,044)</u>	<u>(242)</u>	<u>(227)</u>	<u>(4,214)</u>
Assets							
Segment assets/Consolidated total assets	47,014	622	16,458	138,936	26,273	37,055	<u>266,358</u>
Liabilities							
Segment liabilities/Consolidated total liabilities	30,806	306	158	113,484	568	198	<u>145,520</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 Division RM'000	Investment Holding Division RM'000	The Group RM'000
Current quarter ended							
31 March 2019							
Revenue							
External revenue	31,504	542	135	-	-	14	32,195
Inter-segment revenue	1	-	-	-	-	-	1
	<u>31,505</u>	<u>542</u>	<u>135</u>	<u>-</u>	<u>-</u>	<u>14</u>	<u>32,196</u>
Consolidation adjustments							(1)
Consolidated revenue							<u>32,195</u>
Results							
Segment results	(100)	436	110	(46)	-	169	569
Interest income	3	-	-	-	-	-	3
Depreciation of property and equipment	(193)	-	-	-	-	(19)	(212)
Depreciation of investment properties	-	-	(75)	-	-	-	(75)
Interest expense	(3)	-	-	-	-	-	(3)
Consolidated (loss)/profit before taxation	<u>(293)</u>	<u>436</u>	<u>35</u>	<u>(46)</u>	<u>-</u>	<u>150</u>	<u>282</u>
Income tax expense	(99)	23	-	-	-	(17)	(93)
Consolidated (loss)/profit after taxation	<u>(392)</u>	<u>459</u>	<u>35</u>	<u>(46)</u>	<u>-</u>	<u>133</u>	<u>189</u>
Assets							
Segment assets/Consolidated total assets	48,543	14,818	17,134	14,669	-	7,079	<u>102,243</u>
Liabilities							
Segment liabilities/Consolidated total liabilities	30,149	319	131	10	-	179	<u>30,788</u>

The Group operates principally in Malaysia.

Part A

Explanatory Notes Pursuant To Malaysian Financial Reporting Standards ("MFRS") 134 Interim Financial Reporting (Cont'd)

A10. Material Events Subsequent to the End of the Interim Period

There were no material events subsequent to the end of the current quarter up to 19 June 2020, 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, TA Securities Holdings Berhad ("TA Securities") has on 15 May 2020 announced that the Company proposed to undertake a Proposed Private Placement (as hereunder defined).

The Proposed Private Placement entails the issuance of up to 121,826,900 new ordinary shares in Vortex ("Vortex Shares"), representing not more than 10% of the number of Vortex Shares in issue (excluding any treasury shares) ("Proposed Private Placement"). On 16 June 2020, the Company received the approval from Bursa Securities for the listing of and quotation for up to 121,826,900 new Vortex Shares to be issued pursuant to the Proposed Private Placement subject to the following conditions:

- (i) Vortex and TA Securities must fully comply with the relevant provisions under the ACE Market Listing Requirements pertaining to the implementation of the Proposed Private Placement;
- (ii) Vortex and TA Securities to inform Bursa Securities upon the completion of the Proposed Private Placement; and
- (iii) Vortex to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Private Placement is completed.

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 19 June 2020 (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 19 June 2020 (the latest practicable date not earlier than seven (7) days from the date of issue of this report).

Part A

Explanatory Notes Pursuant To Malaysian Financial Reporting Standards ("MFRS") 134 Interim Financial Reporting (Cont'd)

A14. Related Party Transactions

The Group's related party transactions are as follows:

	Individual Quarter		Cumulative Period	
	Current Year Quarter 31 March 2020 RM'000	Preceding Year Corresponding Quarter 31 March 2019 RM'000	Current Year To-date 31 March 2020 RM'000	Preceding Year Corresponding Period 31 March 2019 RM'000
Professional services rendered by a company in which a director is a common director and has substantial financial interests	-	-	12	13
Subscription fee for accounting charged to a company in which a director is a common director	3	4	14	14
Key management personnel:-				
- salaries and allowances	225	181	1,144	714
- defined contribution plans	27	22	136	85
- others	1	1	4	3
- fee	75	63	340	244

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	
	31.3.2020 RM'000	31.3.2019 RM'000		31.3.2020 RM'000	31.3.2019 RM'000	
Revenue:-						
IT and ICT Division	31,121	31,504	(1.2)	139,082	147,589	(5.8)
Construction Division	-	542	(100.0)	-	8,146	(100.0)
Property Investment Division	116	135	(14.1)	514	465	10.5
Property Development Division	(2,282)	-	100.0	524	-	100.0
Moneylending Division	761	-	100.0	1,538	-	100.0
Investment Holding Division	259	14	1,750.0	1,125	130	765.4
	29,975	32,195	(6.9)	142,783	156,330	(8.7)
(Loss)/Profit before taxation ("LBT)/PBT):-						
IT and ICT Division	(334)	(293)	14.0	(663)	2,338	(128.4)
Construction Division	(152)	436	(134.9)	(320)	138	(331.9)
Property Investment Division	(74)	35	(311.4)	(348)	(87)	300.0
Property Development Division	(3,115)	(46)	6,671.7	(9,795)	(48)	20,306.3
Moneylending Division	81	-	100.0	(448)	-	100.0
Investment Holding Division	(227)	150	(251.3)	(146)	(1,150)	(87.3)
	(3,821)	282	(1,455.0)	(11,720)	1,191	(1,084.1)

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 corresponding quarter has decreased mainly due to the decrease in revenue in Property Development Division. The decrease in revenue from this division is mainly due to the revocation of sold units by existing purchasers and adjustments made on revenue only recognised for cash purchasers' units when cash collections of more than certain percentage of the purchase prices have been received.

The Group recorded a loss in the current quarter mainly due to the decrease in revenue in Property Development Division and higher operating and finance costs in Property Development Division.

IT and ICT Division

The decrease in revenue and higher loss for the current quarter under review as compared to the preceding year corresponding quarter was mainly due to the decrease of sales for Do-It-Yourself ("DIY") products and notebooks.

Construction Division

The decrease in revenue for the current quarter under review as compared to the preceding year corresponding quarter mainly due to there was no new project secured in the current quarter. The LBT in the current quarter was mainly due to the staff cost incurred.

Property Investment Division

The loss in the current quarter was mainly due to the staff costs incurred in this division.

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 was mainly due to the revocation of sold units and adjustments made on revenue recognised for cash purchases as explained above.

The loss in the current quarter was mainly due to the decrease in revenue and higher operating and finance costs in this division.

Moneylending Division

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

The profit in the current quarter was mainly due to the interest income earned sufficient to cover the operating expenses incurred 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)

Investment Holding Division

The loss in the current quarter as compared to the preceding year corresponding quarter was mainly due to the professional fees incurred.

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

	Current Quarter 31.3.2020 RM'000	Immediate Preceding Quarter 31.12.2019 RM'000	Changes %
Revenue:-			
IT and ICT Division	31,121	39,549	(21.3)
Construction Division	-	-	-
Property Investment Division	116	133	(12.8)
Property Development Division	(2,282)	1,273	(279.3)
Moneylending Division	761	726	4.8
Investment Holding Division	259	402	(35.6)
	29,975	42,083	(28.8)
(LBT)/PBT:-			
IT and ICT Division	(334)	(88)	279.5
Construction Division	(152)	145	(204.8)
Property Investment Division	(74)	(72)	2.8
Property Development Division	(3,115)	(2,147)	45.1
Moneylending Division	81	218	(62.8)
Investment Holding Division	(227)	227	(200.0)
	(3,821)	(1,717)	122.5

Overall Performance

Overall, the Group's revenue for the current quarter as compared to the immediate preceding quarter has decreased mainly due to the decrease in revenue from IT and ICT Division and Property Development Division.

The Group has recorded a higher LBT in the current quarter mainly due to the revocation of units and adjustments made on revenue for cash purchases as mentioned above as well as higher operating and finance costs. Besides, it also due to the decrease in interest income and higher operating expenses in Investment Holding Division.

IT and ICT Division

The decrease in revenue and higher LBT were mainly due to the decrease of sales for Do-It-Yourself ("DIY") products, gadgets, mobiles and notebooks and the temporary closure of retail shops in Plaza Lowyat during the Movement Control Order period.

Part B

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

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

Construction Division

The loss recorded in the current quarter as compared to the immediate preceding quarter mainly due to no interest income arising from the reversal of a fair value adjustment made on a debtor balance upon its settlement during current quarter under review.

Property Investment Division

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

Property Development Division

The decrease in revenue and higher loss in the current quarter was mainly due to the reasons mentioned above.

Moneylending Division

The decrease in profit recorded in the current quarter as compared to the immediate preceding quarter was mainly due to higher staff cost incurred in the moneylending operation.

Investment Holding Division

The loss recorded in the current quarter as compared to the immediate preceding quarter was mainly due to lower interest income generated from short-term investments as well as higher operating expenses incurred in the current quarter under review.

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 general well-being of the retail or consumer spending. The Board, looking at the current economic sentiment, has taken steps to diversify into the property investment and development and moneylending business.

Such diversification enables the Group to tap into new business segments which will provide additional streams of revenue and to complement with the Group's existing businesses. The Board believes that this will be part of the Group's business plan to improve its financial performance as well as its shareholders' value. In addition, the diversification will allow the Group to reduce reliance on its existing business in the IT and ICT industries as well as its construction activities.

Moving forward, the Board takes a view that, there may be a possible impact on our various divisions arising from the recent issues affecting our country including Covid-19 and political developments.

Part B**Explanatory Notes Pursuant To Paragraph 9.22 of the Listing Requirements (Cont'd)****B4. Variance between Actual Profit and Forecast Profit or Profit Guarantee**

There were no profit forecast or profit guarantee made public for the current financial period under review.

B5. Tax Expense

The tax expense is as follows:

	Individual Quarter		Cumulative Period	
	Current Year Quarter 31.3.2020 RM'000	Preceding Corresponding Quarter 31.3.2019 RM'000	Current Year To-date 31.3.2020 RM'000	Preceding Corresponding Period 31.3.2019 RM'000
Current tax expense:				
- For the current financial period	(457)	(2)	(603)	(814)
- Underprovision in the previous financial year	-	(91)	(263)	(91)
	<u>(457)</u>	<u>(93)</u>	<u>(866)</u>	<u>(905)</u>
Deferred tax expense:				
- For the current financial period	64	-	167	-
	<u>(393)</u>	<u>(93)</u>	<u>(699)</u>	<u>(905)</u>

B6. Status of Corporate Proposals

There were no corporate proposals as at 19 June 2020 (the latest practicable date not earlier than seven (7) days from the date of issue of this report) pending for completion other than mention in Note A10.

Part B**Explanatory Notes Pursuant To Paragraph 9.22 of the Listing Requirements (Cont'd)****B7. Utilisation of Proceeds****Rights Issue with Warrants and the Rights Issue of Irredeemable Convertible Preference Shares ("ICPS")**

On 15 May 2019, TA Securities Holdings Berhad announced that the Rights Issue of Shares with Warrants and Rights Issue of ICPS (collectively referred as "Rights Issues") have been completed following the listing of and quotation for 60,988,578 Rights Shares together with 60,988,578 Warrants 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 proceed raised from the Rights Issues. At 31 March 2020, the status of the utilisation of proceeds raised from the Rights Issues taking into consideration the variation approved on 25 July 2019 are as follows:-

Utilisation of proceeds	Utilisation of proceeds after the variation (RM'000)	Amount utilised at 31 March 2020 (RM'000)	Balance of proceeds (RM'000)	Revised time frame for utilisation of proceeds
	(A)	(B)	(A-B)	
Proposed Development Project under Kepayang Heights Sdn Bhd	23,189	(822)	22,367	Within 48 months*
Working capital for moneylending business	20,000	(19,782)	218	Within 12 months [^]
Future projects and/or acquisitions	6,500	(3,410)	3,090	Within 36 months*
Working capital	4,118 [#]	(3,900)	218	Within 24 months*
Estimated expenses in relation to the corporate exercises	1,082 [#]	(1,082)	-	-
Total	54,889	(28,996)	25,893	

Notes:

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

[^] 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 was 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)

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 31.3.2020 RM'000	As at 31.3.2019 RM'000
Current		
Hire purchase payables - payable within 12 months	-	61
Term loans	62,204	-
	<u>62,204</u>	<u>61</u>
Non-current		
Hire purchase payables - payable after 12 months	-	226
	<u>62,204</u>	<u>287</u>

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. (Loss)/Earnings per Share

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

	Individual Quarter		Cumulative Period	
	Current Year Quarter 31.3.2020	Preceding Year Corresponding Quarter 31.3.2019	Current Year To-date 31.3.2020	Preceding Year Corresponding Period 31.3.2019
(Loss)/Profit after taxation attributable to the owners of the Company (RM'000)	(4,243)	189	(12,194)	287
Weighted average number of ordinary shares in issue	461,839,989	382,872,777	403,293,443	553,910,020
Basic (loss)/earnings per share (sen)	(0.92)	0.05	(3.02)	0.05
Diluted (loss)/earnings per share (sen)	(0.92)	0.05	(3.02)	0.05

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 31.3.2020 RM'000	Preceding Year Corresponding Quarter 31.3.2019 RM'000	Current Year To-date 31.3.2020 RM'000	Preceding Year Corresponding Period 31.3.2019 RM'000
Interest income	1,024	82	2,988	211
Interest expense	1,407	3	6,910	8
Interest expense on lease liabilities	700	-	700	-
Bad debts written off	-	-	10	-
Depreciation of property and equipment	86	212	1,064	977
Depreciation of investment properties	59	75	251	253
Depreciation of right-of-use assets	2,305	-	2,305	-
Equipment written off	11	45	109	45
Impairment losses on receivables	-	1	-	1
Loss on disposal of a subsidiary	-	-	116	-
Provision for liquidated ascertained damages	3,387	-	3,387	-
Realisation of fair value adjustments arising from the acquisition of a subsidiary	1,050	-	1,480	-
Gain on disposal of equipment	-	102	-	102
Negative goodwill	3,032	-	3,032	-
Reversal of impairment losses on receivables	10	-	10	-

B14. Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 26 June 2020.