



VORTEX CONSOLIDATED BERHAD

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

Year 2021

**Quarterly Announcement
For The Quarter Ended 30 June 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 30 JUNE 2020

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year Quarter 30 June 2020 (Unaudited) RM'000	Preceding Year Corresponding Quarter 30 June 2019 (Unaudited) RM'000	Current Year To-date 30 June 2020 (Unaudited) RM'000	Preceding Year Corresponding Period 30 June 2019 (Unaudited) RM'000
Revenue	38,921	31,892	38,921	31,892
Cost of sales	(33,646)	(28,176)	(33,646)	(28,176)
Gross profit	<u>5,275</u>	<u>3,716</u>	<u>5,275</u>	<u>3,716</u>
Other income	2,890	6	2,890	6
	<u>8,165</u>	<u>3,722</u>	<u>8,165</u>	<u>3,722</u>
Operating expenses	(4,476)	(5,018)	(4,476)	(5,018)
Finance costs	(2,446)	(1,748)	(2,446)	(1,748)
Profit/(Loss) before taxation	<u>1,243</u>	<u>(3,044)</u>	<u>1,243</u>	<u>(3,044)</u>
Tax expense	(888)	64	(888)	64
Profit/(Loss) after taxation	<u>355</u>	<u>(2,980)</u>	<u>355</u>	<u>(2,980)</u>
Total comprehensive income/(expenses)	<u>355</u>	<u>(2,980)</u>	<u>355</u>	<u>(2,980)</u>
Profit/(Loss) after taxation attributable to:-				
Owners of the Company	339	(2,829)	339	(2,829)
Non-controlling interests	16	(151)	16	(151)
	<u>355</u>	<u>(2,980)</u>	<u>355</u>	<u>(2,980)</u>
Total comprehensive income/(expenses) attributable to:-				
Owners of the Company	339	(2,829)	339	(2,829)
Non-controlling interests	16	(151)	16	(151)
	<u>355</u>	<u>(2,980)</u>	<u>355</u>	<u>(2,980)</u>
Earning(Loss) per share [EPS/(LPS)] (in sen)				
Basic EPS/(LPS)	0.04	(0.91)	0.04	(0.91)
Diluted EPS/(LPS)	0.04	(0.91)	0.04	(0.91)

(The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2020 and the accompanying explanatory notes attached to the interim financial statements.)

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE QUARTER ENDED 30 JUNE 2020

	<u>(UNAUDITED)</u>	<u>(AUDITED)</u>
	As at	As at
	30 June 2020	31 March 2020
	RM'000	RM'000
ASSETS:		
Non-Current Assets:		
Property and equipment	5,904	6,058
Investment properties	8,296	8,323
Right-of-use assets	9,175	9,761
Land held for property development	14,206	14,200
Goodwill on consolidation	5,774	5,774
	<u>43,355</u>	<u>44,116</u>
Current Assets:		
Inventories	14,529	15,507
Property development costs	115,557	115,381
Trade and other receivables	35,146	32,586
Contract assets	4,981	4,986
Current tax assets	406	948
Short-term investments	63,084	26,287
Cash and bank balances	27,646	18,596
	<u>261,349</u>	<u>214,291</u>
Asset classified as held for sale	-	7,951
	<u>261,349</u>	<u>222,242</u>
TOTAL ASSETS	<u>304,704</u>	<u>266,358</u>
EQUITY AND LIABILITIES:		
EQUITY		
Share capital	142,237	83,687
Reserves	12,257	37,214
Equity attributable to owners of the Company	<u>154,494</u>	<u>120,901</u>
Non-controlling interests	(47)	(63)
TOTAL EQUITY	<u>154,447</u>	<u>120,838</u>
Non-Current Liabilities:		
Lease liabilities	2,110	5,168
Deferred tax liabilities	4,393	4,393
	<u>6,503</u>	<u>9,561</u>
Current Liabilities:		
Trade and other payables and provision	74,782	71,395
Lease liabilities	4,615	2,045
Term loans	63,766	62,204
Current tax liabilities	591	315
	<u>143,754</u>	<u>135,959</u>
TOTAL LIABILITIES	<u>150,257</u>	<u>145,520</u>
TOTAL EQUITY AND LIABILITIES	<u>304,704</u>	<u>266,358</u>
Net assets per share (sen)	17.71	25.09

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2020 and the accompanying explanatory notes attached to the interim financial statements.)

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE (3) MONTHS ENDED 30 JUNE 2020

	Share Capital RM'000	Irredeemable Convertible Preference Shares ("ICPS") RM'000	Share Application Money RM'000	Non-Distributable Warrants Reserve RM'000	Distributable Retained Profits /(Accumulated Losses) RM'000	Attributable To Owners of the Company RM'000	Non- Controlling Interests RM'000	Total RM'000
3 months ended 30 June 2019								
Balance as at 1 April 2019	65,121	-	-	-	6,367	71,488	(33)	71,455
Contributions by owners of the Company:								
- Rights Issue of Shares with Warrants	2,024	-	-	7,124	-	9,148	-	9,148
- Rights Issue of ICPS	-	45,741	-	-	-	45,741	-	45,741
- Conversion of ICPS	3,155	(1,429)	-	-	-	1,726	-	1,726
- Exercise of Warrants	440	-	-	(193)	-	247	-	247
- Share issuance expenses	(1,082)	-	-	-	-	(1,082)	-	(1,082)
	4,537	44,312	-	6,931	-	55,780	-	55,780
Changes in a subsidiary's ownership interests that do not result in a loss of control	-	-	-	-	(102)	(102)	102	-
Total transaction with owners	4,537	44,312	-	6,931	(102)	55,678	102	55,780
Acquisition of a subsidiary	-	-	-	-	-	-	(11)	(11)
Loss after taxation for the 3 months ended 30 June 2019	-	-	-	-	(2,829)	(2,829)	(151)	(2,980)
Balance as at 30 June 2019	69,658	44,312	-	6,931	3,436	124,337	(93)	124,244
3 months ended 30 June 2020								
Balance as at 1 April 2020	83,687	34,130	5,500	6,897	(9,313)	120,901	(63)	120,838
Contribution by owners of the Company:								
- Conversion of ICPS	58,550	(19,796)	(5,500)	-	-	33,254	-	33,254
Total transaction with owners	58,550	(19,796)	(5,500)	-	-	33,254	-	33,254
Profit after taxation for the 3 months ended 30 June 2020	-	-	-	-	339	339	16	355
Balance as at 30 June 2020	142,237	14,334	-	6,897	(8,974)	164,494	(47)	154,447

Note:-

* - Amount less than RM1,000

(The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2020 and the accompanying explanatory notes attached to the interim financial statements.)

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE THREE (3) MONTHS ENDED 30 JUNE 2020

	(UNAUDITED) CURRENT PERIOD-TO-DATE 3 MONTHS ENDED 30 June 2020 RM'000	(UNAUDITED) CORRESPONDING PERIOD-TO-DATE 3 MONTHS ENDED 30 June 2019 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	1,243	(3,044)
Adjustments for non-cash items:		
Depreciation of property and equipment	215	315
Depreciation of right-of-use assets	586	-
Depreciation of investment properties	27	64
Late payment interest on a trade payable	731	-
Realisation of fair value arising from the acquisition of a subsidiary	25	389
Interest expense	1,563	1,748
Interest expense on lease liabilities	152	-
Gain on disposal of an investment property	(2,543)	-
Interest income	(247)	(159)
Operating profit/(loss) before changes in working capital	1,752	(687)
Net change in inventories	978	(418)
Net change in trade & other receivables	(2,560)	5,471
Net change in contract assets	5	-
Net change in trade & other payables	2,630	(371)
Cash flow from operations	2,805	3,995
Net income tax paid	(70)	(104)
Interest received	243	155
Net cash from operating activities	2,978	4,046
CASH FLOW FOR INVESTING ACTIVITIES		
Interest income received	4	4
Purchase of property and equipment	(61)	(385)
Development costs paid	(182)	(5,993)
Acquisition of subsidiaries, net of cash and cash equivalents acquired	-	(1,576)
Additional investment in an existing subsidiary	-	*
Net cash for investing activities	(239)	(7,950)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from rights issue of ICPS	-	45,741
Proceeds from rights issue of shares with warrants	-	9,148
Proceeds from conversion of ICPS	33,254	1,726
Net proceeds from disposal of an investment property	10,494	-
Share issuance expenses	-	(1,082)
Proceeds from exercise of Warrants	-	247
Net repayment of lease liabilities	(640)	(16)
Net repayment of term loans	-	(1,146)
Net cash from financing activities	43,108	54,618
NET CHANGE IN CASH AND CASH EQUIVALENTS	45,847	50,714
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	67,101	16,387
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	112,948	67,101

Note:-

* - Amount less than RM1,000

Note 1

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

Short-term investments	63,084
Cash and bank balances	27,646
	90,730

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2020 and the accompanying explanatory notes attached to the interim financial statements.)

VORTEX CONSOLIDATED BERHAD (“Vortex” or “the Company”)

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

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 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 2020. The explanatory notes attached to the condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 March 2020.

A2. Changes in Accounting Policies

The significant accounting policies and methods of computation applied in the interim financial statements are consistent with those adopted in the most recent audited financial statements for the financial year ended 31 March 2020 except for the adoption of the following:-

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

- Amendments to MFRS 3: Definition of a Business
- Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform
- Amendments to MFRS 101 and MFRS 108: Definition of Material
- Amendments to References to the Conceptual Framework in MFRS Standards

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

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: Reference to the Conceptual Framework
- Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to MFRS 16: Covid19 - Related Rent Concessions
- Amendments to MFRS 101: Classification of Liabilities as Current or Non-current
- Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract
- Annual Improvements to MFRS Standards 2018 – 2020

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

A3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the audited financial statements for the financial year ended 31 March 2020 was not qualified.

A4. Seasonality or Cyclicity of Operations

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

A5. Unusual Items

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

A6. Material Changes in Estimates

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

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

Pursuant to the rights issue of 60,988,578 new ordinary shares ("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
6 April 2020	55,000,000
9 April 2020	100,105,000
14 April 2020	101,000,000
16 April 2020	15,000,000
21 April 2020	29,406,366
27 April 2020	533,333
28 April 2020	5,746,000
30 April 2020	75,000,000
13 May 2020	433,000
18 May 2020	70,000
19 May 2020	7,963,700
28 May 2020	80,000
Total	390,337,399

As at 30 June 2020, the outstanding ICPS and Warrants of the Company is 286,665,054 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 Division RM000	Construction Division RM000	Property Investment Division RM000	Property Development Division RM000	Moneylending Division RM000	Investment Holding Division RM000	The Group RM000
Current quarter ended							
30 June 2020							
Revenue							
External revenue	37,069	-	86	(5)	1,528	243	38,921
Inter-segment revenue	1	-	-	-	-	-	1
	<u>37,070</u>	<u>-</u>	<u>86</u>	<u>(5)</u>	<u>1,528</u>	<u>243</u>	<u>38,922</u>
Consolidation adjustments							(1)
Consolidated revenue							<u>38,921</u>
Results							
Segment results	1,418	(133)	(10)	20	1,019	(319)	1,995
Interest income	1	-	-	1	2	-	4
Gain on disposal of an investment property	-	-	2,543	-	-	-	2,543
Depreciation of property and equipment	(176)	-*	-	(7)	(14)	(18)	(215)
Depreciation of right-of-use assets	(553)	-	-	-	(20)	(13)	(586)
Depreciation of investment properties	-	-	(27)	-	-	-	(27)
Interest expense	-	-	-	(1,563)	-	-	(1,563)
Interest expense on lease liabilities	(148)	-	-	-	(4)	-	(152)
Late payment interest on a trade payable	-	-	-	(731)	-	-	(731)
Realisation of fair value adjustments from the acquisition of a subsidiary	-	-	-	(25)	-	-	(25)
Consolidated profit/(loss) before taxation	<u>542</u>	<u>(133)</u>	<u>2,506</u>	<u>(2,305)</u>	<u>983</u>	<u>(350)</u>	<u>1,243</u>
Tax expense	(294)	-	(594)	-	-	-	(888)
Consolidated profit/(loss) after taxation	<u>248</u>	<u>(133)</u>	<u>1,912</u>	<u>(2,305)</u>	<u>983</u>	<u>(350)</u>	<u>355</u>
Assets							
Segment assets/Consolidated total assets	51,650	888	8,434	138,932	28,940	75,860	<u>304,704</u>
Liabilities							
Segment liabilities/Consolidated total liabilities	35,047	306	139	114,027	552	186	<u>150,257</u>

Note:-

*- Amount less than RM1,000

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 Division RM000	Investment Holding Division RM000	The Group RM000
Current quarter ended							
30 June 2019							
Revenue							
External revenue	30,315	-	133	1,289	-	155	31,892
Inter-segment revenue	1	-	-	-	-	-	1
	<u>30,316</u>	<u>-</u>	<u>133</u>	<u>1,289</u>	<u>-</u>	<u>155</u>	<u>31,893</u>
Consolidation adjustments							(1)
Consolidated revenue							<u>31,892</u>
Results							
Segment results	282	(174)	(31)	(581)	(323)	(94)	(921)
Interest income	2	1	-	1	-	-	4
Depreciation of property and equipment	(292)	-	-	(2)	(2)	(19)	(315)
Depreciation of investment properties	-	-	(64)	-	-	-	(64)
Interest expense	(4)	-	-	(1,744)	-	-	(1,748)
Realisation of fair value arising from the acquisition of a subsidiary	-	-	-	(389)	-	-	(389)
Consolidated loss before taxation	<u>(12)</u>	<u>(173)</u>	<u>(95)</u>	<u>(2,326)</u>	<u>(325)</u>	<u>(113)</u>	<u>(3,044)</u>
Tax expense	(30)	-	-	94	-	-	64
Consolidated loss after taxation	<u>(42)</u>	<u>(173)</u>	<u>(95)</u>	<u>(2,232)</u>	<u>(325)</u>	<u>(113)</u>	<u>(2,980)</u>
Assets							
Segment assets/Consolidated total assets	46,432	9,063	16,630	116,430	2,053	61,122	<u>251,730</u>
Liabilities							
Segment liabilities/Consolidated total liabilities	27,643	321	131	99,095	47	249	<u>127,486</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 21 August 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:-

- (i) On 16 July 2020, the Company and THDex Limited, a wholly-owned subsidiary of the Company have entered into a subscription and shareholders' agreement ("SSA") with Lin Xiao Xiao ("the Subscriber") to allot and issue up to 144,118 ordinary shares which represents 49% of the enlarged issued and paid-up share capital of THDex up to the amount of USD144,118 to the Subscriber subject to the terms and conditions set out in the SSA.

The subsidiary is applying to Labuan Financial Services Authority governed under Labuan Financial Services and Securities Act 2010 for the change of shareholding structure.

Upon completion of the subscription, the Company's equity interests in THDex will be diluted from 100% to 51%.

- (ii) On 3 August 2020, the Company has entered into a subscription agreement with MGudang Sdn. Bhd. ("MSB") to subscribe for 2,500,000 ordinary shares at the price of RM1.00 per share in MSB, representing 11.63% of the enlarged issued share capital in MSB subject to the terms and conditions in the subscription agreement.

The shares have been allotted and issued to the Company on 7 August 2020.

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 21 August 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 21 August 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 30 June 2020 RM'000	Preceding Year Corresponding Quarter 30 June 2019 RM'000	Current Year To-date 30 June 2020 RM'000	Preceding Year Corresponding Period 30 June 2019 RM'000
Professional services rendered by a company in which a director is a common director and has substantial financial interests	15	-	15	-
Subscription fee for accounting charged to a company in which a director is a common director	4	4	4	4
Key management personnel:-				
- salaries and allowances	161	290	161	290
- defined contribution plans	19	34	19	34
- others	1	1	1	1
- fee	71	85	71	85

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

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

Part B

Explanatory Notes Pursuant To Paragraph 9.22 of the Listing Requirements

B1. Detailed Analysis of Overall Performance

	Individual Quarter		Changes %	Cumulative Period		Changes %
	Current Year Quarter	Preceding Year Corresponding Quarter		Current Year To-date	Preceding Year Corresponding Period	
	30.6.2020 RM'000	30.6.2019 RM'000		30.6.2020 RM'000	30.6.2019 RM'000	
Revenue:-						
IT and ICT Division	37,069	30,315	22.3	37,069	30,315	22.3
Construction Division	-	-	-	-	-	-
Property Investment Division	86	133	(35.3)	86	133	(35.3)
Property Development Division	(5)	1,289	(100.4)	(5)	1,289	(100.4)
Moneylending Division	1,528	-	100.0	1,528	-	100.0
Investment Holding Division	243	155	56.8	243	155	56.8
	38,921	31,892	22.0	38,921	31,892	22.0
Profit/(Loss) before taxation ("PBT/(LBT)"):-						
IT and ICT Division	542	(12)	4,616.7	542	(12)	4,616.7
Construction Division	(133)	(173)	(23.1)	(133)	(173)	(23.1)
Property Investment Division	2,506	(95)	2,737.9	2,506	(95)	2,737.9
Property Development Division	(2,305)	(2,326)	(0.9)	(2,305)	(2,326)	(0.9)
Moneylending Division	983	(325)	402.5	983	(325)	402.5
Investment Holding Division	(350)	(113)	209.7	(350)	(113)	209.7
	1,243	(3,044)	140.8	1,243	(3,044)	140.8

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 corresponding quarter has increased mainly due to the increase in revenue in IT and ICT Division and Moneylending Division. The increase in revenue from IT and ICT division was mainly due to the Movement Control Order, Conditional Movement Control Order and Recovery Movement Control Order ("the Control Periods") imposed by the government which led to the change in lifestyles such as "work from home" and "study online" that increased the demand for IT and ICT products. As the moneylending business only commenced in September 2019, the Group saw a hike in revenue in Moneylending Division in the current quarter.

The Group recorded a profit in the current quarter mainly due to the gain from the disposal of an investment property and the improvement in performance in IT and ICT division as well as the profit from the moneylending business in the current quarter.

IT and ICT Division

The increase in revenue and profit for the current quarter under review as compared to the preceding year corresponding quarter was mainly due to the increase in revenue as explained above.

Construction Division

The loss in the current quarter was mainly due to the fixed cost incurred.

Property Investment Division

The decrease in rental income was mainly due to the disposal of an investment property and expiry of a tenancy agreement with no renewal.

The profit recorded in the current quarter was mainly 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 for the current quarter was mainly due to the development work has temporarily ceased due to the imposition of the Control Periods by the government, thus no progress in development during the current quarter.

The loss in the current quarter was mainly due to the finance costs incurred 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 Profit/(Loss) Before Taxation for the Quarter Reported as Compared with the Immediate Preceding Quarter

	Current Quarter 30.6.2020 RM'000	Immediate Preceding Quarter 31.3.2020 RM'000	Changes %
Revenue:-			
IT and ICT Division	37,069	31,121	19.1
Construction Division	-	-	-
Property Investment Division	86	116	(25.9)
Property Development Division	(5)	(2,282)	(99.8)
Moneylending Division	1,528	761	100.8
Investment Holding Division	243	259	(6.2)
	38,921	29,975	29.8
PBT/(LBT):-			
IT and ICT Division	542	(334)	262.3
Construction Division	(133)	(152)	(12.5)
Property Investment Division	2,506	(74)	3,486.5
Property Development Division	(2,305)	(3,115)	(26.0)
Moneylending Division	983	81	1,113.6
Investment Holding Division	(350)	(227)	54.2
	1,243	(3,821)	132.5

Overall Performance

Overall, the Group's revenue for the current quarter as compared to the immediate preceding quarter has increased mainly due to the increase in revenue from IT and ICT Division and Moneylending Division. The increase in revenue from IT and ICT division was mainly due to the Control Periods imposed by the government which led to the change in lifestyles such as "work from home" and "study online" that increased the demand for IT and ICT products. Higher revenue from Moneylending division mainly due to increase in loans to customers.

The Group recorded a profit in the current quarter as compared to the loss in the immediate preceding quarter mainly due to the gain from the disposal of an investment property and increase in revenue in the divisions as mentioned above.

IT and ICT Division

The increase in revenue and profit during the current quarter under review were mainly due to the increase in demand for IT and ICT products during the Control Periods and revenue 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)

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 was mainly due to the fixed cost incurred in this division.

Property Investment Division

The decrease in rental income was due to the disposal of an investment property in the current quarter.

The profit recorded in the current quarter was mainly due to the gain from the disposal of an investment property.

Property Development Division

As the development work has temporarily ceased during the Control Periods, there was no revenue recognised in the current quarter.

The negative revenue in the immediate preceding quarter was mainly due to the revocation of sold units and adjustments made on revenue recognised for cash purchases.

The loss in the current quarter was mainly due to the finance cost incurred in this division.

Moneylending Division

The increase in profit recorded in the current quarter as compared to the immediate preceding quarter was mainly due to the increase in interest income as loans to customers have increased.

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 and higher professional fees 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 the general well-being of the retail or consumer spending. Other than the core business, the Group's other businesses also includes property development, construction and investment and moneylending services. These businesses enables the Group to diversify its revenue source and income streams.

The Board looking at the current economic sentiment, has never ceased to explore other businesses to seek for more opportunities. We take each opportunity on a case-by-case basis and will assess all factors and angles before deciding to undertake any such opportunity. We are mindful of our stakeholders' interests and will undertake any new ventures on a conservative basis.

Moving forward, the Board takes a view that there may be possible impacts on our various divisions arising from the recent issues affecting our country including the Covid-19 pandemic and political developments. Thus, it will be a challenging year ahead for the Group. Nevertheless, the Group will uphold its stance to remain cautious and pennywise in our approach and ventures.

Part B

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

B4. Variance between Actual Profit and Forecast Profit or Profit Guarantee

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

B5. Tax Expense

The tax expense is as follows:

	Individual Quarter		Cumulative Period	
	Current Year Quarter 30.6.2020 RM'000	Preceding Corresponding Quarter 30.6.2019 RM'000	Current Year To-date 30.6.2020 RM'000	Preceding Year Corresponding Period 30.6.2019 RM'000
Current tax expense:				
- For the current financial period	(294)	(30)	(294)	(30)
Deferred tax expense:				
- For the current financial period	-	94	-	94
	<u>(294)</u>	<u>64</u>	<u>(294)</u>	<u>64</u>
Real Property Gains Tax	(594)	-	(594)	-
	<u>(888)</u>	<u>64</u>	<u>(888)</u>	<u>64</u>

B6. Status of Corporate Proposals

There were no corporate proposals as at 21 August 2020 (the latest practicable date not earlier than seven (7) days from the date of issue of this report) pending for completion except as follows:-

On behalf of the Board, 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

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.

The Proposed Private Placement has yet to be completed.

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 and the Rights Issue of ICPS

On 15 May 2019, TA Securities Holdings Berhad on behalf of the Board, 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 proceeds raised from the Rights Issues. At 30 June 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 30 June 2020 (RM'000)	Balance of proceeds (RM'000)	Revised time frame for utilisation of proceeds
	(A)	(B)	(A-B)	
Proposed Development Project under Kepadang Heights Sdn Bhd	23,189	(828)	22,361	Within 48 months*
Working capital for moneylending business	20,000	(20,000)	-	Within 12 months [^]
Future projects and/or acquisitions	6,500	(3,410)	3,090	Within 36 months*
Working capital	4,118 [#]	(4,118)	-	Within 24 months*
Estimated expenses in relation to the corporate exercises	1,082 [#]	(1,082)	-	-
Total	54,889	(29,438)	25,451	

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 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)

B8. Details of Group Borrowings and Debt Securities

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

	As at 30.6.2020 RM'000	As at 30.6.2019 RM'000
Current		
Hire purchase payables	-	210
Lease liabilities	4,615	-
Term loans	63,766	41,995
	<hr/>	<hr/>
	68,381	42,205
Non-current		
Hire purchase payables	-	61
Lease liabilities	2,110	-
Term loans	-	19,464
	<hr/>	<hr/>
	70,491	61,730

On 24 June 2020, the bank has offered a revised repayment schedule and extension of maturity date for the term loans. The revised repayment schedule will be commenced in January 2021 and fully repayable by December 2021. The effective interest rate has also been revised from 8.75% to 7% per annum.

B9. Gains and Losses arising from Fair Value Changes of Financial Liabilities

No gains or losses were recognised for changes in fair values of financial liabilities during the quarter under review.

B10. Changes in Material Litigation

The Directors were not aware of any material litigation, which, if enforced, may have a material impact on the profit or net asset value of the Group.

B11. Dividends

No interim dividend has been declared or proposed for the current financial period under review.

Part B**Explanatory Notes Pursuant To Paragraph 9.22 of the Listing Requirements (Cont'd)****B12. 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 30.6.2020	Preceding Year Corresponding Quarter 30.6.2019	Current Year To-date 30.6.2020	Preceding Year Corresponding Period 30.6.2019
Profit/(Loss) after taxation attributable to the owners of the Company (RM'000)	339	(2,829)	339	(2,829)
Weighted average number of ordinary shares in issue	822,688,507	311,935,301	822,688,507	311,935,301
Basic earnings/(loss) per share (sen)	0.04	(0.91)	0.04	(0.91)
Diluted earnings/(loss) per share (sen)	0.04	(0.91)	0.04	(0.91)

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

	Individual Quarter		Cumulative Period	
	Current Year Quarter 30.6.2020 RM'000	Preceding Year Corresponding Quarter 30.6.2019 RM'000	Current Year To-date 30.6.2020 RM'000	Preceding Year Corresponding Period 30.6.2019 RM'000
Interest income	247	159	247	159
Interest expense	1,563	1,748	1,563	1,748
Late payment interest on a trade payable	731	-	731	-
Interest expense on lease liabilities	152	-	152	-
Depreciation of property and equipment	215	315	215	315
Depreciation of investment properties	27	64	27	64
Depreciation of right-of-use assets	586	-	586	-
Realisation of fair value arising from the acquisition of a subsidiary	25	389	25	389
Gain on disposal of an investment property	2,543	-	2,543	-

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 28 August 2020.