



VORTEX CONSOLIDATED BERHAD

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

Year 2021

**Quarterly Announcement
For The Quarter Ended 30 September 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 SEPTEMBER 2020

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year Quarter 30 September 2020 (Unaudited) RM'000	Preceding Year Corresponding Quarter 30 September 2019 (Unaudited) RM'000	Current Year To-date 30 September 2020 (Unaudited) RM'000	Preceding Year Corresponding Period 30 September 2019 (Unaudited) RM'000
Revenue	47,790	38,833	86,711	70,725
Cost of sales	(42,095)	(35,255)	(75,741)	(63,431)
Gross profit	5,695	3,578	10,970	7,294
Other income	1,461	7	4,351	13
	7,156	3,585	15,321	7,307
Operating expenses	(4,071)	(5,307)	(8,547)	(10,325)
Finance costs	(1,705)	(1,416)	(4,151)	(3,164)
Profit/(Loss) before taxation	1,380	(3,138)	2,623	(6,182)
Tax expense	(898)	(212)	(1,786)	(148)
Profit/(Loss) after taxation	482	(3,350)	837	(6,330)
Total comprehensive income/(expenses)	482	(3,350)	837	(6,330)
Profit/(Loss) after taxation attributable to:-				
Owners of the Company	473	(3,286)	812	(6,115)
Non-controlling interests	9	(64)	25	(215)
	482	(3,350)	837	(6,330)
Total comprehensive income/(expenses) attributable to:-				
Owners of the Company	473	(3,286)	812	(6,115)
Non-controlling interests	9	(64)	25	(215)
	482	(3,350)	837	(6,330)
Earning(Loss) per share [EPS/(LPS)] (in sen)				
Basic EPS/(LPS)	0.05	(0.84)	0.09	(1.66)
Diluted EPS/(LPS)	0.05	(0.84)	0.09	(1.66)

(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 SEPTEMBER 2020

	<u>(UNAUDITED)</u>	<u>(AUDITED)</u>
	As at 30 September 2020 RM'000	As at 31 March 2020 RM'000
ASSETS		
Non-Current Assets		
Property and equipment	5,752	6,058
Investment properties	8,269	8,323
Right-of-use assets	8,596	9,761
Land held for property development	14,215	14,200
Other investment	2,500	-
Goodwill on consolidation	5,774	5,774
	<u>45,106</u>	<u>44,116</u>
Current Assets		
Inventories	17,468	15,507
Property development costs	119,029	115,381
Trade and other receivables	54,810	32,586
Contract assets	4,126	4,986
Current tax assets	153	948
Short-term investments	66,176	26,287
Cash and bank balances	28,588	18,596
	<u>290,350</u>	<u>214,291</u>
Asset classified as held for sale	-	7,951
	<u>290,350</u>	<u>222,242</u>
TOTAL ASSETS	<u>335,456</u>	<u>266,358</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	182,856	83,687
Reserves	1,809	37,214
Equity attributable to owners of the Company	<u>184,665</u>	<u>120,901</u>
Non-controlling interests	(38)	(63)
TOTAL EQUITY	<u>184,627</u>	<u>120,838</u>
Non-Current Liabilities		
Lease liabilities	3,122	5,168
Term loans	45,551	-
Deferred tax liabilities	4,410	4,393
	<u>53,083</u>	<u>9,561</u>
Current Liabilities		
Trade and other payables and provision	76,995	71,395
Lease liabilities	3,105	2,045
Term loans	16,873	62,204
Current tax liabilities	773	315
	<u>97,746</u>	<u>135,959</u>
TOTAL LIABILITIES	<u>150,829</u>	<u>145,520</u>
TOTAL EQUITY AND LIABILITIES	<u>335,456</u>	<u>266,358</u>
Net assets per share (sen)	15.39	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 (6) MONTHS ENDED 30 SEPTEMBER 2020

	Share Capital	Irredeemable Convertible Preference Shares ("ICPS")	Share Application Money	Non-Distributable Warrants Reserve	Distributable Retained Profits /(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
6 months ended 30 September 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 B	2,024	-	-	7,124	-	9,148	-	9,148
- Rights Issue of ICPS	-	45,741	-	-	-	45,741	-	45,741
- Conversion of ICPS	3,396	(1,520)	-	-	-	1,876	-	1,876
- Exercise of Warrants B	440	-	-	(193)	-	247	-	247
- Share issuance expenses	(1,082)	-	-	-	-	(1,082)	-	(1,082)
	4,778	44,221	-	6,931	-	55,930	-	55,930
Changes in a subsidiary's ownership interests that do not result in a loss of control	-	-	-	-	(102)	(102)	102	-
Total transaction with owners	4,778	44,221	-	6,931	(102)	55,828	102	55,930
Acquisition of a subsidiary	-	-	-	-	-	-	(11)	(11)
Loss after taxation for the 6 months ended 30 September 2019	-	-	-	-	(6,115)	(6,115)	(215)	(6,330)
Balance as at 30 September 2019	69,899	44,221	-	6,931	150	121,201	(157)	121,044
6 months ended 30 September 2020								
Balance as at 1 April 2020	83,687	34,130	5,500	6,897	(9,313)	120,901	(63)	120,838
Contribution by owners of the Company								
- Conversion of ICPS	91,312	(30,717)	(5,500)	-	-	55,095	-	55,095
- Issuance of ordinary shares pursuant to a private placement	7,962	-	-	-	-	7,962	-	7,962
- Expenses incurred pursuant to a private placement of ordinary shares	(105)	-	-	-	-	(105)	-	(105)
Total transaction with owners	99,169	(30,717)	(5,500)	-	-	62,952	-	62,952
Profit after taxation for the 6 months ended 30 September 2020	-	-	-	-	812	812	25	837
Balance as at 30 September 2020	182,856	3,413	-	6,897	(8,501)	184,665	(38)	184,627

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 (6) MONTHS ENDED 30 SEPTEMBER 2020

	(UNAUDITED)	(UNAUDITED)
	CURRENT	CORRESPONDING
	PERIOD-TO-DATE	PERIOD-TO-DATE
	6 MONTHS	6 MONTHS
	ENDED	ENDED
	30 September 2020	30 September 2019
Note	RM'000	RM'000
CASH FLOW FOR OPERATING ACTIVITIES		
Profit/(Loss) before taxation	2,623	(6,182)
Adjustments for non-cash items:		
Bad debts written off	-	10
Deposit written off	-	-*
Depreciation of property and equipment	433	643
Depreciation of right-of-use assets	1,165	-
Depreciation of investment properties	54	128
Equipment written off	6	98
Realisation of fair value arising from the acquisition of a subsidiary	-	396
Interest expense	3,859	3,164
Interest expense on lease liabilities	292	-
Gain on disposal of an investment property	(2,543)	-
Interest income	(597)	(475)
Reversal of provision for liquidated ascertained damages	(1,085)	-
Net reversal of realisation of fair value arising from the acquisition of a subsidiary	(19)	-
Operating profit/(loss) before changes in working capital	4,188	(2,218)
Net change in inventories	(1,961)	749
Net change in trade & other receivables	(22,224)	(5,545)
Net change in contract assets	867	-
Net change in trade & other payables	5,371	(866)
Cash flow for operations	(13,759)	(7,880)
Income tax refunded/(paid)	78	(161)
Interest received	590	465
Net cash for operating activities	(13,091)	(7,576)
CASH FLOW FROM/(FOR) INVESTING ACTIVITIES		
Interest income received	7	10
Purchase of equipment	(133)	(657)
Purchase of other investment	(2,500)	-
Development costs paid	(3,600)	(7,003)
Proceeds from disposal of an investment property, net of fee and tax	9,900	-
Acquisition of subsidiaries, net of cash and cash equivalents acquired	-	(1,576)
Additional investment in an existing subsidiary	-	-*
Net cash from/(for) investing activities	3,674	(9,226)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Rights Issue of ICPS	-	45,741
Proceeds from Rights Issue of Shares with Warrants B	-	9,148
Proceeds from conversion of ICPS	55,095	1,876
Proceeds from a private placement	7,962	-
Share issuance expenses	(105)	(1,082)
Proceeds from exercise of Warrants B	-	247
Interest paid	(2,668)	(2,650)
Net repayment of lease liabilities	(986)	(31)
Net cash from financing activities	59,298	53,249
NET CHANGE IN CASH AND CASH EQUIVALENTS	49,881	36,447
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	44,883	16,387
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	94,764	52,834
<i>Note:-</i>		
* - Amount less than RM1,000		
Note 1		30 September 2020
Cash and Cash Equivalents at End of the Financial Period comprised:		RM'000
Short-term investments		66,176
Cash and bank balances		28,588
		94,764

(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 SEPTEMBER 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 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.

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 B were exercised during the quarter under review.

	No. of shares issued resulting from
Listing Date	Conversion of ICPS
17 July 2020	66,000,000
4 August 2020	72,413,903
11 August 2020	80,000,000
Total	218,413,903

As at 30 September 2020, the outstanding ICPS and Warrants B of the Company is 68,251,151 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 Business Division"); and
- (vi) Investment holding ("Investment Holding Division").

Part A

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

A9. Operating Segment Information (Cont’d)

Segmental information is provided based on business segments, as follows:

	IT and ICT Division RM'000	Construction Division RM'000	Property Investment Division RM'000	Property Development Division RM'000	Moneylending Business Division RM'000	Investment Holding Division RM'000	The Group RM'000
Current quarter ended							
30 September 2020							
Revenue							
External revenue	47,658	-	30	(1,260)	1,015	347	47,790
Inter-segment revenue	1	-	-	-	-	-	1
	<u>47,659</u>	<u>-</u>	<u>30</u>	<u>(1,260)</u>	<u>1,015</u>	<u>347</u>	<u>47,791</u>
Consolidation adjustments							(1)
Consolidated revenue							<u>47,790</u>
Results							
Segment results	2,202	(159)	(63)	(299)	989	113	2,783
Interest income	1	-*	-	-*	2	-	3
Reversal of provision for liquidated ascertained damages	-	-	-	1,085	-	-	1,085
Net reversal of realisation of fair value adjustments from the acquisition of a subsidiary	-	-	-	44	-	-	44
Depreciation of property and equipment	(179)	-*	-	(7)	(14)	(18)	(218)
Depreciation of right-of-use assets	(552)	-	-	-	(14)	(13)	(579)
Depreciation of investment properties	-	-	(27)	-	-	-	(27)
Equipment written off	-	-	-	-	(6)	-	(6)
Interest expense	-	-	-	(1,033)	-	-	(1,033)
Interest expense on lease liabilities	(137)	-	-	-	(3)	-	(140)
Late payment interest on a trade payable	-	-	-	(532)	-	-	(532)
Consolidated profit/(loss) before taxation	<u>1,335</u>	<u>(159)</u>	<u>(90)</u>	<u>(742)</u>	<u>954</u>	<u>82</u>	<u>1,380</u>
Tax expense	(476)	-	-	(17)	(405)	-	(898)
Consolidated profit/(loss) after taxation	<u>859</u>	<u>(159)</u>	<u>(90)</u>	<u>(759)</u>	<u>549</u>	<u>82</u>	<u>482</u>
Assets							
Segment assets/Consolidated total assets	53,464	444	8,306	139,673	59,736	73,833	<u>335,456</u>
Liabilities							
Segment liabilities/Consolidated total liabilities	35,764	21	31	113,855	968	190	<u>150,829</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 RM'000	Construction Division RM'000	Property Investment Division RM'000	Property Development Division RM'000	Moneylending Business Division RM'000	Investment Holding Division RM'000	The Group RM'000
Current quarter ended							
30 September 2019							
Revenue							
External revenue	38,096	-	132	244	51	310	38,833
Inter-segment revenue	1	-	-	-	-	1,600	1,601
	<u>38,097</u>	<u>-</u>	<u>132</u>	<u>244</u>	<u>51</u>	<u>1,910</u>	<u>40,434</u>
Consolidation adjustments							(1,601)
Consolidated revenue							<u>38,833</u>
Results							
Segment results	71	(140)	(43)	(678)	(417)	(14)	(1,221)
Interest income	5	-	-	1	-	-	6
Bad debt written off	(10)	-	-	-	-	-	(10)
Depreciation of property and equipment	(292)	-*	-	(12)	(5)	(19)	(328)
Depreciation of investment properties	-	-	(64)	-	-	-	(64)
Equipment written off	-	-	-	(98)	-	-	(98)
Interest expense	(2)	-	-	(1,414)	-	-	(1,416)
Realisation of fair value arising from the acquisition of a subsidiary	-	-	-	(7)	-	-	(7)
Consolidated loss before taxation	<u>(228)</u>	<u>(140)</u>	<u>(107)</u>	<u>(2,208)</u>	<u>(422)</u>	<u>(33)</u>	<u>(3,138)</u>
Tax expense	(213)	-	-	1	-	-	(212)
Consolidated loss after taxation	<u>(441)</u>	<u>(140)</u>	<u>(107)</u>	<u>(2,207)</u>	<u>(422)</u>	<u>(33)</u>	<u>(3,350)</u>
Assets							
Segment assets/Consolidated total assets	46,348	8,935	16,581	117,507	15,150	43,417	<u>247,938</u>
Liabilities							
Segment liabilities/Consolidated total liabilities	29,654	322	130	96,495	53	240	<u>126,894</u>

Note:-

*- Amount less than RM1,000

The Group operates principally in Malaysia.

Part A

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

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

There were no material events subsequent to the end of the current quarter up to 18 November 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:-

- (a) On 1 October 2020, the Company has entered into a shares sale agreement with Kenny Khoo Chuan Wah to acquire 2,700,100 ordinary shares, representing the entire issued and paid-up share capital in Firstwide Success Sdn. Bhd. ("FSSB") for a total cash consideration of RM2,700,000.00. The acquisition was completed on 21 October 2020. Accordingly, FSSB became a wholly-owned subsidiary of the Company.
- (b) On behalf of the Board of Directors ("Board"), TA Securities Holdings Berhad ("TA Securities") has on 19 October 2020 announced that the Company proposed to undertake the following proposals:
 - (i) proposed private placement of up to 20% of the total number of issued ordinary shares in Vortex ("Vortex Shares") (excluding treasury shares) ("Proposed Private Placement 2");
 - (ii) proposed consolidation of every 4 existing Vortex Shares into 1 Vortex Share ("Proposed Share Consolidation"); and
 - (iii) proposed renounceable rights issue of up to 370,844,139 new Vortex Shares ("Rights Share(s)") on the basis of 1 Rights Share for every 1 Vortex Share held on an entitlement date to be determined later, together with up to 296,675,311 free detachable warrants C ("Warrant(s) C") on the basis of 4 Warrants C for every 5 Rights Shares subscribed for ("Proposed Rights Issue").
 - (iv) Proposed amendments to the Company's Constitution to facilitate the adjustments to the ICPS in the Company pursuant to the Proposed Share Consolidation and Proposed Rights Issue ("Proposed Amendment")

On 20 October 2020, the Company has submitted the following to Bursa Securities:-

- (i) additional listing application in relation to the Proposed Private Placement 2;
- (ii) application in relation to the Proposed Share Consolidation; and
- (iii) additional listing application in relation to the Proposed Rights Issue.

And, Bursa Securities had, vide its letter dated 23 October 2020, resolved to approve the listing of and quotation for up to 156,340,700 new Vortex Shares to be issued pursuant to the Proposed Private Placement 2 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 2;
- (ii) Vortex and TA Securities to inform Bursa Securities upon the completion of the Proposed Private Placement 2; 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 2 is completed.

The Proposed Private Placement 2, Proposed Share Consolidation, Proposed Right Issue and Proposed Amendment are collectively referred as the "Proposals".

Part A

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

A11. Changes in the Composition of the Group

There were no changes in the composition of the Group during the current financial period under review.

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

Since the last annual balance sheet date, there were no material changes in contingent liabilities and contingent assets for the Group as at 18 November 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 18 November 2020 (the latest practicable date not earlier than seven (7) days from the date of issue of this report).

A14. Related Party Transactions

The Group's related party transactions are as follows:

	Individual Quarter		Cumulative Period	
	Current Year Quarter 30 September 2020 RM'000	Preceding Year Corresponding Quarter 30 September 2019 RM'000	Current Year To-date 30 September 2020 RM'000	Preceding Year Corresponding Period 30 September 2019 RM'000
Professional services rendered by a company in which a director is a common director and has substantial financial interests	30	-	45	-
Subscription fee for accounting charged to a company in which a director is a common director	3	4	7	8
Key management personnel:-				
- salaries and allowances	187	316	348	606
- defined contribution plans	22	38	41	72
- others	-*	1	1	2
- fee	72	90	143	175

Note:-

*- Amount less than RM1,000

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

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

Part B

Explanatory Notes Pursuant To Paragraph 9.22 of the Listing Requirements

B1. Detailed Analysis of Overall Performance

	Individual Quarter		Changes %	Cumulative Period		Changes %
	Current Year Quarter	Preceding Year Corresponding Quarter		Current Year To-date	Preceding Year Corresponding Period	
	30.9.2020 RM'000	30.9.2019 RM'000		30.9.2020 RM'000	30.9.2019 RM'000	
Revenue:-						
IT and ICT Division	47,658	38,096	25.1	84,730	68,411	23.9
Construction Division	-	-	-	-	-	-
Property Investment Division	30	132	(77.3)	116	265	(56.2)
Property Development Division	(1,260)	244	(616.4)	(1,268)	1,533	(182.7)
Moneylending Business Division	1,015	51	1,890.2	2,543	51	4,886.3
Investment Holding Division	347	310	11.9	590	465	26.9
	47,790	38,833	23.1	86,711	70,725	22.6
Profit/(Loss) before taxation ("PBT/(LBT)":-						
IT and ICT Division	1,335	(228)	685.5	1,877	(240)	882.1
Construction Division	(159)	(140)	13.6	(292)	(313)	(6.7)
Property Investment Division	(90)	(107)	(15.9)	2,416	(202)	1,296.0
Property Development Division	(742)	(2,208)	(66.4)	(3,047)	(4,534)	(32.8)
Moneylending Business Division	954	(422)	326.1	1,937	(747)	359.3
Investment Holding Division	82	(33)	348.5	(268)	(146)	83.6
	1,380	(3,138)	144.0	2,623	(6,182)	142.4

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 Business Division. The increase in revenue from IT and ICT division was mainly due to the increase of sales for Do-It-Yourself ("DIY") products. The increase in revenue in Moneylending Business Division in the current quarter mainly due to the increase of loan to customers which increase the interest income earned.

The Group recorded a profit in the current quarter mainly due to 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 in the current quarter and current year to-date as compared to the preceding year corresponding quarter and preceding year corresponding period respectively, 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 year to-date was mainly due to the gain from the disposal of an investment property in the immediate preceding quarter.

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 and the current year to-date was mainly due to the revocation of units sold by existing purchasers.

The decrease in loss in the current quarter and the current year to-date was mainly due to the reversal of the provision for liquidated ascertained damages for the revoked units as well as lesser advertisement cost incurred.

Moneylending Business Division

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

The increase in revenue and profit in the current quarter and current year to-date as compared to the preceding year corresponding quarter and preceding year corresponding period respectively, was mainly due to the moneylending business operation only commenced in September 2019.

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 profit in the current quarter as compared to the preceding year corresponding quarter was mainly due to the lesser professional fees incurred and higher interest income received from short-term investments.

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

	Current Quarter 30.9.2020 RM'000	Immediate Preceding Quarter 30.6.2020 RM'000	Changes %
Revenue:-			
IT and ICT Division	47,658	37,069	28.6
Construction Division	-	-	-
Property Investment Division	30	86	(65.1)
Property Development Division	(1,260)	(5)	25,100.0
Moneylending Business Division	1,015	1,528	(33.6)
Investment Holding Division	347	243	42.8
	47,790	38,921	22.8
PBT/(LBT):-			
IT and ICT Division	1,335	542	146.3
Construction Division	(159)	(133)	19.5
Property Investment Division	(90)	2,506	(103.6)
Property Development Division	(742)	(2,305)	(67.8)
Moneylending Business Division	954	983	(3.0)
Investment Holding Division	82	(350)	123.4
	1,380	1,243	11.0

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. The increase in revenue from IT and ICT division was mainly due to the increase of sales for Do-It-Yourself ("DIY") products and notebooks.

The Group has recorded a higher profit in the current quarter as compared to the immediate preceding quarter mainly due to the increase in revenue in the division as mentioned above and the reversal of the provision for liquidated ascertained damages for the revoked units in the Property Development Division in the current quarter.

IT and ICT Division

The increase in revenue and profit during the current quarter under review was mainly due to the increase in demand for DIY products and notebooks.

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

Property Investment Division

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

The loss recorded in the current quarter was mainly due to the rental income earned not sufficient to cover the operating expenses incurred and the profit in the previous quarter was mainly due to the gain on disposal of investment property in the previous quarter.

Property Development Division

The sold units revoked in the current quarter was relatively more which has caused the decrease in revenue.

The decrease in loss in the current quarter as compared to the immediate preceding quarter was mainly due to the reversal of the provision for liquidated ascertained damages for the revoked units in the current quarter.

Moneylending Business Division

There was no material movement in profit between the quarters.

Investment Holding Division

The profit in the current quarter was mainly due to the interest income earned sufficient to cover the operating expenses incurred and lesser professional fee incurred in this division 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 include property development, construction and investment and moneylending services. These businesses enable the Group to diversify its revenue source and income streams.

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

Moving forward, the Board takes a view that there may be possible impact 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 30.9.2020 RM'000	Preceding Corresponding Quarter 30.9.2019 RM'000	Current Year To-date 30.9.2020 RM'000	Preceding Year Corresponding Period 30.9.2019 RM'000
Current tax expense:				
- For the current financial period	(881)	(212)	(1,175)	(242)
- Underprovision in the previous financial year	-*	(1)	-*	(1)
	<u>(881)</u>	<u>(213)</u>	<u>(1,175)</u>	<u>(243)</u>
Deferred tax expense:				
- For the current financial period	(17)	1	(17)	95
	<u>(898)</u>	<u>(212)</u>	<u>(1,192)</u>	<u>(148)</u>
Real Property Gains Tax	-	-	(594)	-
	<u>(898)</u>	<u>(212)</u>	<u>(1,786)</u>	<u>(148)</u>

Note:-

* - Amount less than RM1,000

B6. Status of Corporate Proposals

There were no corporate proposals as at 18 November 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:-

- (a) On behalf of the Board, TA Securities has on 24 September 2020 announced the allotment and issuance of 109,066,400 new Vortex Shares pursuant to a private placement that was announced on 15 May 2020. The private placement has been completed following the listing of 109,066,400 new Vortex Shares in the ACE Market of Bursa Securities on 25 September 2020.
- (b) Please refer to the Proposals as mention in A10(b) above. The Proposals have yet to be completed as of to-date.

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

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

On 25 July 2019, the shareholders of the Company had approved the variation to the utilisation of proceeds raised from the Rights Issues I. At 30 September 2020, the status of the utilisation of proceeds raised from the Rights Issues I 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 September 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	(839)	22,350	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	(29,449)	25,440	

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)****B7. Utilisation of Proceeds****Private Placement**

On 25 September 2020, the Company has completed a private placement of 109,066,400 new Vortex Shares at an issue price of RM0.073 each following the listing of 109,066,400 new Vortex Shares in the ACE Market of Bursa Securities.

At 30 September 2020, the status of the utilisation of proceeds raised from the private placement is as follows:-

Utilisation of proceeds	Utilisation of proceeds (RM'000)	Amount utilised at 30 September 2020 (RM'000)	Balance of proceeds (RM'000)	Timeframe for utilisation*
	(A)	(B)	(A-B)	
Partial repayment of bank borrowings ⁽¹⁾	7,857	-	7,857	Within 12 months*
Expenses in relation to the private placement	105	(105)	-	Within 1 month
TOTAL	7,962	(105)	7,857	

Notes:

* From 25 September 2020 (being the date of completion of the private placement).

⁽¹⁾ The proceeds shall be utilised to repay the credit facilities granted by a financial institution to a subsidiary of the Company.

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 30.9.2020 RM'000	As at 30.9.2019 RM'000
Current		
Hire purchase payables	-	195
Lease liabilities	3,105	-
Term loans	16,873	41,995
	<hr/> 19,978	<hr/> 42,190
Non-current		
Hire purchase payables	-	61
Lease liabilities	3,122	-
Term loans	45,551	19,376
	<hr/> 68,651	<hr/> 61,627

A subsidiary of the Company has entered into supplemental loan agreements with a financial institution on 18 September 2020 to restructure its credit facilities which among other things, include revised repayment schedules, extension of maturity dates and revised interest rates. 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 30.9.2020	Preceding Year Corresponding Quarter 30.9.2019	Current Year To-date 30.9.2020	Preceding Year Corresponding Period 30.9.2019
Profit/(Loss) after taxation attributable to the owners of the Company (RM'000)	473	(3,286)	812	(6,115)
Weighted average number of ordinary shares in issue	1,031,239,227	389,625,858	927,533,679	369,322,749
Basic earnings/(loss) per share (sen)	0.05	(0.84)	0.09	(1.66)
Diluted earnings/(loss) per share (sen)	0.05	(0.84)	0.09	(1.66)

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

	Individual Quarter		Cumulative Period	
	Current Year Quarter 30.9.2020 RM'000	Preceding Year Corresponding Quarter 30.9.2019 RM'000	Current Year To-date 30.9.2020 RM'000	Preceding Year Corresponding Period 30.9.2019 RM'000
Interest income	350	316	597	475
Interest expense	1,033	1,416	2,596	3,164
Late payment interest on a trade payable	532	-	1,263	-
Interest expense on lease liabilities	140	-	292	-
Bad debts written off	-	10	-	10
Depreciation of property and equipment	218	328	433	643
Depreciation of investment properties	27	64	54	128
Depreciation of right-of-use assets	579	-	1,165	-
Deposit written off	-	-*	-	-*
Equipment written off	6	98	6	98
Realisation of fair value arising from the acquisition of a subsidiary	-	7	-	396
Net reversal of realisation of fair value arising from the acquisition of a subsidiary	44	-	19	-
Reversal of provision for liquidated ascertained damages	1,085	-	1,085	-
Gain on disposal of an investment property	-	-	2,543	-

Note:-

* - Amount less than RM1,000

Part B

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

B14. Authorisation for issue

The interim financial statements were authorised for issue by the Board in accordance with a resolution of the directors dated 25 November 2020.