

VERTICE BERHAD
(FORMERLY KNOWN AS VOIR HOLDINGS BERHAD)

(Company No. 765218-V)
(Incorporated in Malaysia under the Companies Act,1965)

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2018

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**

| | Quarter ended | | Change % | Year to date ended | | Change % |
|---|---------------------|---------------------|-------------|---------------------|---------------------|-------------|
| | 31-Mar-18 RM'000 | 31-Mar-17 RM'000 | | 31-Mar-18 RM'000 | 31-Mar-17 RM'000 | |
| Continuing operations | | | | | | |
| Revenue | 40,506 | 28,410 | 43% | 40,506 | 28,410 | 43% |
| Operating expenses | (37,881) | (26,961) | 41% | (37,881) | (26,961) | 41% |
| Amortisation & depreciation | (1,135) | (732) | | (1,135) | (732) | |
| Inventories written-off | - | (224) | | - | (224) | |
| Inventories written down | (1,373) | (233) | | (1,373) | (233) | |
| Foreign exchange (loss)/gain | - | (2) | | - | (2) | |
| Profit from operations | 117 | 258 | -55% | 117 | 258 | -55% |
| Other operating income | 7 | 18 | -61% | 7 | 18 | -61% |
| Profit before interest | 124 | 276 | -55% | 124 | 276 | -55% |
| Interest Expenses | (166) | (134) | 24% | (166) | (134) | 24% |
| Interest Income | - | 13 | -100% | - | 13 | -100% |
| Profit before taxation | (42) | 155 | -127% | (42) | 155 | -127% |
| Income tax expense | 61 | (346) | -118% | 61 | (346) | -118% |
| Profit/(Loss) for the period | 19 | (191) | -110% | 19 | (191) | -110% |
| Discontinued operations | | | | | | |
| Profit/(Loss) net of tax discontinued operations | 44 | (273) | -116% | 44 | (273) | -116% |
| Other comprehensive income | - | - | | - | - | |
| Total comprehensive income/(loss) | 63 | (464) | -114% | 63 | (464) | -114% |
| Total comprehensive income/(loss) attributable to: | | | | | | |
| Owners of the Company | 32 | (385) | | 32 | (385) | |
| Non-controlling interests | 31 | (79) | | 31 | (79) | |
| | 63 | (464) | | 63 | (464) | |
| Earnings per share attributable to equity holders of the parent: | | | | | | |
| Basic (sen) | 0.02 | (0.29) | | 0.02 | (0.29) | |
| Diluted (sen) | 0.02 | (0.20) | | 0.02 | (0.20) | |

The unaudited 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 December 2017 and the accompanying explanatory notes attached to the interim consolidated Financial Statements.

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INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2018

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | As at 31-Mar-18 | As at 31-Dec-17 |
|---|----------------------------|----------------------------|
| | RM'000 | RM'000 |
| | (Unaudited) | (Audited) |
| ASSETS | | |
| Non-Current Assets | | |
| Property, plant and equipment | 6,843 | 6,340 |
| Investment properties | 1,612 | 1,623 |
| Intangible assets | 234 | 247 |
| Other investments | 9,875 | 9,875 |
| | <u>18,564</u> | <u>18,085</u> |
| Current Assets | | |
| Inventories | 42,349 | 53,099 |
| Trade receivables | 20,214 | 15,683 |
| Other receivables | 9,612 | 12,154 |
| Asset of disposal group classified as held for sales | 50,299 | 59,432 |
| Income tax assets | - | 335 |
| Cash and bank balances | 3,104 | 2,429 |
| | <u>125,578</u> | <u>143,132</u> |
| TOTAL ASSETS | <u>144,142</u> | <u>161,217</u> |
| EQUITY AND LIABILITIES | | |
| Equity attributable to owners of the Company | | |
| Share capital | 74,022 | 74,022 |
| Share options reserve | 260 | - |
| Retained earnings | 18,643 | 18,611 |
| | <u>92,925</u> | <u>92,633</u> |
| Non-controlling interests | (241) | (272) |
| Total Equity | <u>92,684</u> | <u>92,361</u> |
| Non Current Liabilities | | |
| Long term borrowings | 78 | 402 |
| Deferred tax liabilities | 119 | 184 |
| | <u>197</u> | <u>586</u> |
| Current Liabilities | | |
| Trade payables | 6,340 | 18,441 |
| Other payables | 7,771 | 10,419 |
| Short term borrowings | 12,262 | 14,780 |
| Liabilities directly associates with disposal group classified as held for sale | 24,884 | 24,630 |
| Income tax liabilities | 4 | - |
| | <u>51,261</u> | <u>68,270</u> |
| Total Liabilities | <u>51,458</u> | <u>68,856</u> |
| TOTAL LIABILITIES AND EQUITY | <u>144,142</u> | <u>161,217</u> |
| Net Asset per share (in RM) | <u>0.64</u> | <u>0.64</u> |

The unaudited condensed consolidated Statement of Financial Position should be read in conjunction with the audited Financial Statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to the interim consolidated Financial Statements.

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INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2018

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | ← Attributable to owners of the Company → | | | | Total RM'000 | Non- controlling Interests RM'000 | Total Equity RM'000 |
|--|---|----------------------------|-----------------------------|--------------------------------|-----------------|--|---------------------------|
| | ← Non-Distributable | | → Distributable | | | | |
| | Share Capital RM'000 | Share Premium RM'000 | Share Options Reserve | Retained Earnings RM'000 | | | |
| As At 1 January 2018 | 74,022 | 0 | 0 | 18,611 | 92,633 | (272) | 92,361 |
| Issue during the year | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Share option value | 0 | 0 | 260 | 0 | 260 | 0 | 260 |
| Total comprehensive loss for the period | 0 | 0 | 0 | 32 | 32 | 31 | 63 |
| As At 31 MARCH 2018 | 74,022 | 0 | 260 | 18,643 | 92,925 | (241) | 92,684 |
| | | | | | | | |
| As At 1 January 2017 | 66,000 | 102 | 0 | 23,436 | 89,538 | 22 | 89,560 |
| Converted | 102 | (102) | 0 | 0 | 0 | 0 | 0 |
| Total comprehensive loss for the period | 0 | 0 | 0 | (385) | (385) | (79) | (464) |
| As At 31 MARCH 2017 | 66,102 | 0 | 0 | 23,051 | 89,153 | (57) | 89,096 |

The unaudited condensed consolidated Statement of Changes in Equity should be read in conjunction with the audited Financial Statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to the interim consolidated Financial Statements.

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INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2018

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

| | 31-Mar-18 | Year To Date Ended |
|--|------------------|---------------------------|
| | RM'000 | 31-Mar-17 |
| | | RM'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit/(Loss) before taxation from continuing operations | (42) | 155 |
| Profit/(Loss) before taxation from discontinued operations | 44 | (309) |
| Adjustments for: | | |
| Amortisation & depreciation | 1,135 | 1,285 |
| Interest expenses | 281 | 204 |
| Interest income | - | (13) |
| Gain on disposal of property, plant & equipment | - | (14) |
| Property, plant & equipment written off | 42 | 12 |
| Inventories written-off | - | 396 |
| Inventories written down | 1,373 | 441 |
| Equity share-based payment | 260 | - |
| Unrealised loss/(gain) on foreign exchange | (7) | - |
| Operating profit before working capital changes | 3,086 | 2,157 |
| Changes in working capital: | | |
| Decrease/(Increase) in inventories | 18,116 | 14,221 |
| Decrease/(Increase) in receivables | 3,904 | 6,885 |
| Increase/(Decrease) in payables | (20,837) | (16,478) |
| Cash generated from / (absorbed by) operations | 4,269 | 6,785 |
| Interest paid | (281) | (204) |
| Interest received | - | 13 |
| Income tax expense paid | (115) | (38) |
| Net cash from operating activities | 3,873 | 6,556 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceeds from disposal of property, plant & equipment | - | 17 |
| Purchase of property, plant & equipment | (1,880) | (1,110) |
| Net cash used in investing activities | (1,880) | (1,093) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Repayment of bank borrowings | (2,290) | (3,305) |
| Proceeds from issue of share capital | - | - |
| Proceeds from bank borrowings | 1,873 | - |
| Net cash used in financing activities | (417) | (3,305) |
| Net changes in cash and cash equivalents | 1,576 | 2,158 |
| Effect of exchange rate changes | 7 | - |
| Cash and cash equivalents brought forward | (1,162) | 4,344 |
| Cash and cash equivalents carried forward | 421 | 6,502 |
| Fixed deposits | - | 5,013 |
| Cash and bank balances | 3,763 | 2,312 |
| Bank overdrafts | (3,342) | (823) |
| | 421 | 6,502 |

The unaudited condensed consolidated Statement of Cash Flow should be read in conjunction with the audited Financial Statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to the interim consolidated Financial Statements.

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INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2018

PART A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD NO. 134

A1. Basis of Preparation

The unaudited condensed interim financial statements for the first quarter ended 31 March 2018 have been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB"), and paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes.

The accounting policies and methods of computation adopted in these interim financial statements of the Group are consistent with those adopted in the annual audited financial statements for the financial year ended 31 December 2017, included the adoption of all the applicable MFRSs and IC Interpretations that are relevant and effective for the financial period beginning on or after 1 January 2018.

The adoption of the MFRSs and IC Interpretations which are applicable to the Group did not have any significant impact on the interim financial statements of the Group.

A2. Audited Report Of Preceding Annual Financial Statements

The audited financial statements for the financial year ended 31 December 2017 was not subject to any qualification.

A3. Seasonal Or Cyclical Factors

The Group's business operations are generally affected by major festive seasons, school holidays and carnival sales.

A4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income Or Cash Flows

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

A5. Material Changes In Estimates

There were no material changes in the estimates of amounts reported that have material effect on the results for the current quarter under review.

A6. Issuances, Cancellations, Repurchases, Resale And Repayments Of Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current quarter under review.

A7. Dividend Paid

There was no dividend paid during the current quarter under review.

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INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2018

PART A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD NO. 134

A8. Segmental Reporting

The Group's business segmental information for the financial period to date is as follows. There were no disclosure on geographical segment as its revenue from sales to segment other than Malaysia is insignificant.

| | Revenue | | Profit/(Loss) before tax | |
|----------------------------------|---------------------------|----------------------|---------------------------------|---------------------|
| | Year To Date Ended | | Year To Date Ended | |
| | 31-Mar-18 | 31-Mar-17 | 31-Mar-18 | 31-Mar-17 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| <u>Continuing</u> | | | | |
| Apparels, footwear & accessories | 32,402 | 26,407 | 104 | 824 |
| Food, Beverage & Events | - | - | - | - |
| Beauty & Wellness | - | 208 | - | (248) |
| Constructions | 8,104 | 1,795 | 979 | 259 |
| Investment holdings and others | - | - | (1,125) | (680) |
| | <u>40,506</u> | <u>28,410</u> | <u>(42)</u> | <u>155</u> |
| <u>Disposal</u> | | | | |
| Apparels, footwear & accessories | 24,777 | 19,874 | 44 | (309) |
| Adjustments & Eliminations | - | - | - | - |
| Consolidated | <u><u>65,283</u></u> | <u><u>48,284</u></u> | <u><u>2</u></u> | <u><u>(154)</u></u> |

A9. Valuation of Property, Plant and Equipment

The property, plant and equipment of the Group have not been revalued during the current quarter under review.

A10. Material Events Subsequent To The End Of The Quarter

There was no material event subsequent to the current quarter ended 31 March 2018 up to the date of this report except the following:-

- (i) The construction division being awarded two contracts amounting to RM218.5 Million and RM339.9 Million (Note B10) on 3 April 2018 and 10 April 2018 respectively.
- (ii) The proposed 30% private placement was approved by shareholders during an EGM on 23 April 2018 (Note B11).
- (iii) The disposal of Applemints Apparels Sdn Bhd was completed on 26 April 2018.

A11. Changes In The Composition of The Group

Two of the three dormant subsidiaries that submitted their applications to the Companies Commission of Malaysia ("CCM") to strike their names off the Register pursuant to Section 550 of the Companies Act, 2016 end of last year were approved by CCM in March 2018. The other dormant subsidiary application for strike off was approved by CCM in May 2018.

A12. Contingent Liabilities and Contingent Assets

There were no material contingent liabilities, either secured or unsecured and contingent assets of the Group as at the end of the current quarter.

A13. Material Capital Commitments

There were no material capital commitments approved or contracted for as at 31 March 2018.

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**PART B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B, PART A OF
THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

B1. Review of Group's Results For The Current Quarter and Year-To-Date Ended 31 March 2018

| | Quarter ended | | Changes | Year To Date Ended | | Changes |
|--|---------------|-----------|---------|--------------------|-----------|---------|
| | 31-Mar-18 | 31-Mar-17 | | 31-Mar-18 | 31-Mar-17 | |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 40,506 | 28,410 | 12,096 | 40,506 | 28,410 | 12,096 |
| Profit/(Loss) from operations | 117 | 258 | (141) | 117 | 258 | (141) |
| Profit/(Loss) before interest | 124 | 276 | (152) | 124 | 276 | (152) |
| Profit/(Loss) before taxation | (42) | 155 | (197) | (42) | 155 | (197) |
| Profit/(Loss) for the period | 19 | (191) | 210 | 19 | (191) | 210 |
| Profit net of tax discontinued operations | 44 | (273) | 317 | 44 | (273) | 317 |
| Comprehensive income/(loss) attributable to equity holders of the parent | 32 | (385) | 417 | 32 | (385) | 417 |

The Group's continuing operations revenue increased by RM12.1 million or 42% for the current quarter under review as compared to the corresponding quarter in the previous year.

The increases for revenue were due to the following:-

(i) For retail fashion, sales volume increased resulting from lower price point strategies adopted as well as effective promotional campaigns.

(ii) The construction business segment recorded higher progress billings of RM8.10 million as compared to RM1.79 million in the corresponding quarter of the previous year as more projects commenced construction in the current quarter under review.

The Group's continuing operations construction and retail fashion business segments achieved profit before tax of RM0.98 million and RM0.10 million respectively through effective operational costs control. However, the Group's continuing operations loss before tax was RM0.04 million as compared to profit before tax of RM0.15 million in the corresponding quarter in the previous year due to the following:-

(i) Administrative expenses of RM0.72 million and corporate exercises professional fees of RM0.15 million incurred at the holding company level; and

(ii) Recognition of equity share-based payment of RM0.26 million at the holding company level.

The Group's discontinued operations profit net of tax improved substantially to RM0.04 million from a loss net of tax of RM0.3 million in the previous corresponding quarter. This was achieved using the same approach as per the continuing operations of the retail fashion.

The construction business segment contributed RM0.98 million profit before tax to the Group which account for an increase of RM0.7 million as compared to the corresponding quarter in the previous year. Meanwhile, the retail fashion business segment, including discontinued operations, contributed RM0.15 million profit before tax to the Group.

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**PART B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B, PART A OF
THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

B2. Variation Of Results For The Current Quarter Against Immediate Preceding Quarter

| | Current Quarter | Immediate Preceding Quarter | Change | |
|--|----------------------------|--|---------------|-------|
| | 31-Mar-18 | 31-Dec-17 | RM'000 | % |
| | RM'000 | RM'000 | | |
| Revenue | 40,506 | 33,620 | 6,886 | 20% |
| Profit/(Loss) from operations | 117 | (2,362) | 2,479 | -105% |
| Profit/(Loss) before interest | 124 | (1,797) | 1,921 | -107% |
| Loss before taxation | (42) | (1,961) | 1,919 | -98% |
| Profit/(Loss) for the period | 19 | (2,166) | 2,185 | -101% |
| Profit net of tax discontinued operations | 44 | (994) | 1,038 | -104% |
| Comprehensive income/(loss) attributable to equity holders of the parent | 32 | (2,900) | 2,932 | -101% |

The Group's continuing operations recorded a revenue of RM40.5 million in the current quarter representing an increase of 20.5% or RM6.9 million over the immediate preceding quarter. Together with discontinued operations, the retail fashion business segment managed to maintain its revenue of RM57.18 million as compared to RM57.37 million in the immediate preceding quarter due to the consistent sales volume achieved resulting from lower price point strategies adopted as well as effective promotional campaigns.

The improvement in loss before taxation of the Group including discontinued operations are due to the following:-

- (i) better performance from the construction business segment in terms of higher progress billings of RM4.9 million and increase in profit before taxation of RM1.1 million; and
- (ii) the retail fashion business segment incurred lower amortisation and depreciation, and no impairment on receivables were required for the current period under review.

B3. Group's Prospects For Financial Year Ending 31 December 2018

The Group's fashion retail business may continue to face challenges in the competitive retail environment in 2018. The higher cost of operations as a result of weak local currency, higher wage rates, and lower profit margin as a result of price competition amongst market players. Furthermore, consumers expect even lower prices after the new government announced the revision of the Goods and Service Tax (GST) rate from 6% to 0%. It is expected that the Sales and Services Tax will replace GST in the next 2 - 3 months.

The higher cost of living will also affect the consumers' household spending pattern. Hence extra efforts are put in to organize and review effective sales and promotion campaigns in order to retain and further grow the target market with quality products and affordable price point offerings.

Vertice Construction Sdn Bhd ("VCSB") (formerly known as Million Twilight Sdn Bhd), has secured more construction projects (refer B10) and as at to date it has build-up an order book of RM661 million. These projects are expected to contribute positively to the future earnings and improve the financial position of the Group.

The Group is optimistic of the construction business segment and expect it to be the major contributor in terms of revenue and profits to the Group. The Group will continuously pursue more construction projects in 2018 as its diversification implementation. At the same time, the Group will continue with its diversification into infrastructure, property development and property investment which will provide additional streams of earnings which is expected to enhance the Group's profitability and returns on shareholders' funds.

B4. Variance Of Profit Forecast

The Group did not issue any profit forecast for the current financial year.

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**PART B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B, PART A OF
THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

B5. Income Tax Expense

The breakdown of income tax expense is as follows:-

| | Current Quarter | Year to Date |
|--------------------------------------|------------------------|---------------------|
| | 31-Mar-18 | 31-Mar-18 |
| | RM'000 | RM'000 |
| Current year tax expense | - | - |
| Under/(over) provision in prior year | (61) | (61) |
| Deferred tax expenses/(reversal) | - | - |
| | (61) | (61) |

There was an overprovision of income tax expense in one of the retail subsidiary in the financial year ended 31 Dec 2017. Such overprovision is now adjusted in the current financial period ended 31 Mar 2018.

B6. Group Borrowings and Debt Securities

| | Quarter ended 31-Mar-2018 | | | Quarter ended 31-Mar-2017 | | |
|------------------------------|----------------------------------|------------------|--------------|----------------------------------|------------------|--------------|
| | Secured | Unsecured | Total | Secured | Unsecured | Total |
| | Debt | Debt | Debt | Debt | Debt | Debt |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| <u>Short-term borrowings</u> | | | | | | |
| Term loan | - | 0 | - | 118 | 102 | 220 |
| Bill payable | 4,004 | 5,955 | 9,959 | 4,232 | 8,539 | 12,771 |
| Bank overdrafts | 1,943 | 242 | 2,185 | 824 | - | 824 |
| Finance lease liabilities | 0 | 119 | 119 | 0 | 112 | 112 |
| | 5,947 | 6,316 | 12,263 | 5,174 | 8,753 | 13,927 |
| <u>Long-term borrowings</u> | | | | | | |
| Term loan | - | 0 | 0 | 403 | 148 | 551 |
| Finance lease liabilities | 0 | 79 | 79 | 0 | 146 | 146 |
| | 0 | 79 | 79 | 403 | 294 | 697 |

The Group does not have any foreign currency borrowings as at 31 March 2018. All borrowings indicated above are denominated in Ringgit Malaysia.

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**PART B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B, PART A OF
THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

B7. Material Litigation

The Group is not engaged in any material litigation either as plaintiff or defendant and the Directors do not have any knowledge of any proceedings pending or threatened against the Group as at the date of this report.

B8. Dividend Proposed

No dividend has been declared during the current quarter under review.

B9. Earnings Per Share ("EPS")

Basic EPS

The basic earnings per share of the Group is calculated by dividing the profit attributable to the owners of the Company by the weighted average number of ordinary shares in issue.

| | Current Quarter | Year to Date |
|--|------------------------|---------------------|
| | 31-Mar-18 | 31-Mar-18 |
| | RM'000 | RM'000 |
| Earnings attributable to owners of the Company | 32 | 32 |
| Weighted average number of ordinary shares ('000) | 145,200 | 145,200 |
| Adjustment for assumed exercise of warrants ('000) | 60,000 | 60,000 |
| Adjustment for assumed exercise of Share Issuance Scheme ('000) | 6,098 | 6,098 |
| Adjustment weighted average number of ordinary shares issued and issuable ('000) | 211,298 | 211,298 |
| Earnings/(loss) per ordinary share (sen) | | |
| Basic | 0.02 | 0.02 |
| Diluted | 0.02 | 0.02 |

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INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2018

**PART B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B, PART A OF
THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

B10. Significant Event Subsequent to Reporting Period

(i) Vertice Construction Sdn Bhd (Formerly Known as Million Twilight Sdn Bhd) ("VCSB") has on 3 April 2018 accepted a sub-contract offer from Kumpulan Liziz Sdn Bhd (72218-M) who is the main sub-contractor for the road upgrading works of Federal Road 12 (FR12) from Gambang, Pahang to Segamat, Johor awarded by Jabatan Kerjaya Raya Malaysia.

The sub-contract is for the work coordination, inspection, testing, commissioning including obtaining final approval for works done for the proposed upgrading works of the Federal Road 12 ("FR12") from Gambang Pahang to Segamat, Johor amounting to RM218,479,872.58.

Construction period shall be for approximately thirteen (13) months commencing 9 April 2018 to 30 April 2019.

(ii) VCSB has on 10 April 2018 accepted a sub-contract offer from San Mutal Majujaya Sdn Bhd ("SMMSB") (1146843-A) who is the sub-contractor for Projek Penswastaan Lebuhraya Bertingkat Sungai Besi – Ulu Kelang Package CA1 – "Construction and Completion of Mainline and Other Associated Works from CH.0 to CH.2400" Contract No. Turnpike-Suke-C-A-ML-CA1-010 ("The Project").

The sub-contract amounting to RM339,855,628 is to construct and complete the Project according to the bill of quantities, drawings and specifications and any other related documents and up to the reasonable satisfaction of SMMSB.

Construction period shall be for a period of nineteen (19) months from the date of possession of site i.e. 16 April 2018 or such other period as may be mutually agreed between the parties.

B11. Corporate Proposal

On 19 December 2017, the Company announced that it proposes to undertake a Proposed Private Placement of up to 61,560,000 new ordinary shares representing up to 30% of its total number of issued shares to independent third party to be identified at a later date.

The purpose of the Proposed Private Placement is to raise funds to finance its construction projects and general working capital.

The Company has submitted its application in relation to the Proposed Private Placement to Bursa Securities Malaysia Berhad on 14 February 2018 and was approved on 23 March 2018.

The Proposed Private Placement was approved by shareholders during an EGM on 23 April 2018.