

**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 THIRD QUARTER ENDED 30 SEPTEMBER 2018**

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

	Quarter ended		Change %	Year to date ended		Change %
	30-Sep-18 RM'000	30-Sep-17 RM'000		30-Sep-18 RM'000	30-Sep-17 RM'000	
<b>Continuing operations</b>						
Revenue	70,572	26,085	171%	147,362	86,634	70%
Operating expenses	(71,457)	(24,180)	196%	(146,552)	(83,234)	76%
Amortisation & depreciation	(887)	(384)	131%	(2,078)	(1,854)	12%
PPE written off	(1,349)	(1,488)	-100%	(1,382)	(1,488)	-100%
Inventories written-off	-	-	0%	-	(261)	-100%
Inventories written down	(687)	(288)	139%	(2,522)	(521)	384%
Foreign exchange (loss)/gain	-	-	0%	-	(4)	-100%
<b>Loss from operations</b>	<b>(3,808)</b>	<b>(255)</b>	1393%	<b>(5,172)</b>	<b>(728)</b>	610%
Other operating income	9	116	-92%	2,204	150	1369%
<b>Loss before interest</b>	<b>(3,799)</b>	<b>(139)</b>	2633%	<b>(2,968)</b>	<b>(578)</b>	413%
Interest Expenses	(97)	(126)	-23%	(408)	(404)	1%
Interest Income	170	-	100%	190	30	533%
<b>Loss before taxation</b>	<b>(3,726)</b>	<b>(265)</b>	1306%	<b>(3,186)</b>	<b>(952)</b>	235%
Income tax expense	(28)	(13)	115%	(14)	(474)	-97%
<b>Loss for the period</b>	<b>(3,754)</b>	<b>(278)</b>	1250%	<b>(3,200)</b>	<b>(1,426)</b>	124%
<b>Discontinued operations</b>						
Loss for the period	-	(15)	-100%	-	(532)	-100%
Other comprehensive income	-	-		-	-	
<b>Total comprehensive loss</b>	<b>(3,754)</b>	<b>(293)</b>	1181%	<b>(3,200)</b>	<b>(1,958)</b>	63%
<b>Total comprehensive income/(loss) attributable to:</b>						
Owners of the Company	(3,755)	(310)		(3,318)	(1,924)	
Non-controlling interests	1	17		118	(34)	
	<b>(3,754)</b>	<b>(293)</b>		<b>(3,200)</b>	<b>(1,958)</b>	
<b>Loss per share attributable to equity holders of the parent:</b>						
Basic (sen)	-2.06	(0.21)		-2.10	(1.33)	
Diluted (sen)	-1.51	(0.15)		-1.48	(0.94)	

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 THIRD QUARTER ENDED 30 SEPTEMBER 2018**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>As at 30-Sep-18</b>	<b>As at 31-Dec-17</b>
	RM'000	RM'000
	(Unaudited)	(Audited)
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	8,621	6,340
Investment properties	1,590	1,623
Intangible assets	209	247
Other investments	9,875	9,875
Retention Sum	258	-
	<b>20,553</b>	<b>18,085</b>
<b>Current Assets</b>		
Inventories	35,351	53,099
Trade receivables	70,138	15,683
Other receivables	11,969	11,040
Amount due from contract customers	1,778	1,114
Asset of disposal group classified as held for sales	-	59,432
Income tax assets	890	335
Money market placement	28,000	-
Fixed deposits	9,000	-
Cash and bank balances	8,122	2,429
	<b>165,248</b>	<b>143,132</b>
<b>TOTAL ASSETS</b>	<b>185,801</b>	<b>161,217</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	112,395	74,022
Share options reserve	779	-
Retained earnings	15,293	18,611
	<b>128,467</b>	<b>92,633</b>
Non-controlling interests	(154)	(272)
<b>Total Equity</b>	<b>128,313</b>	<b>92,361</b>
<b>Non Current Liabilities</b>		
Long term borrowings	87	402
Deferred tax liabilities	121	184
	<b>208</b>	<b>586</b>
<b>Current Liabilities</b>		
Trade payables	44,882	18,441
Other payables	7,832	10,419
Short term borrowings	5,011	14,780
Liabilities directly associates with disposal group classified as held for sale	-	24,630
Income tax liabilities	(445)	-
	<b>57,280</b>	<b>68,270</b>
<b>Total Liabilities</b>	<b>57,488</b>	<b>68,856</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>185,801</b>	<b>161,217</b>
<b>Net Asset per share (in RM)</b>	<b>0.81</b>	<b>0.64</b>

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 THIRD QUARTER ENDED 30 SEPTEMBER 2018**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	← Attributable to owners of the Company →					Non-controlling Interests RM'000	Total Equity RM'000
	← Non-Distributable →		Distributable		Total RM'000		
	Share Capital RM'000	Share Premium RM'000	Share Options Reserve	Retained Earnings RM'000			
<b>As At 1 January 2018</b>	74,022	0	0	18,611	92,633	(272)	<b>92,361</b>
Share option value	0	0	779	0	779	0	<b>779</b>
Shares issued during the year	38,373	0	0	0	38,373	0	<b>38,373</b>
Total comprehensive profit for the period	0	0	0	(3,318)	-3,318	118	<b>(3,200)</b>
<b>As At 30 September 2018</b>	<b>112,395</b>	<b>0</b>	<b>779</b>	<b>15,293</b>	<b>128,467</b>	<b>(154)</b>	<b>128,313</b>
<b>As At 1 January 2017</b>	66,000	102	0	23,436	89,538	22	<b>89,560</b>
Shares issued during the year	7,920	0	0	0	7,920	0	<b>7,920</b>
Converted	102	(102)	0	0	0	0	<b>0</b>
Total comprehensive profit for the period	0	0	0	(1,924)	(1,924)	(34)	<b>(1,958)</b>
<b>As At 30 September 2017</b>	<b>74,022</b>	<b>0</b>	<b>0</b>	<b>21,512</b>	<b>95,534</b>	<b>(12)</b>	<b>95,522</b>

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 THIRD QUARTER ENDED 30 SEPTEMBER 2018**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**

	<b>30-Sep-18</b>	<b>Year To Date Ended</b>	<b>30-Sep-17</b>
	RM'000		RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before taxation	(3,186)		(1,770)
Adjustments for:			
Amortisation & depreciation	2,078		3,403
Interest expenses	408		623
Interest income	(190)		(30)
Gain on disposal of a subsidiary	(2,179)		-
Gain on disposal of property, plant & equipment	-		(77)
Property, plant & equipment written off	1,382		1,826
Inventories written-off	-		430
Inventories written down	2,522		777
Equity share-based payment	779		-
Operating profit before working capital changes	1,614		5,182
Changes in working capital:			
Decrease/(Increase) in inventories	15,226		(319)
Decrease/(Increase) in receivables	(62,795)		(5,065)
Increase/(Decrease) in payables	43,559		(6,153)
Cash absorbed by operations	(2,396)		(6,355)
Interest paid	(408)		(623)
Interest received	189		30
Income tax expense paid	(312)		(849)
Income tax refunded	-		168
<b>Net cash from operating activities</b>	<b>(2,927)</b>		<b>(7,629)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from disposal of a subsidiary	21,000		-
Proceeds from disposal of property, plant & equipment	-		96
Purchase of property, plant & equipment	(3,669)		(2,883)
<b>Net cash used in investing activities</b>	<b>17,331</b>		<b>(2,787)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of bank borrowings	(7,349)		(2,518)
Proceeds from issue of share capital	38,373		7,920
<b>Net cash used in financing activities</b>	<b>31,024</b>		<b>5,402</b>
<b>Net changes in cash and cash equivalents</b>	<b>45,428</b>		<b>(5,014)</b>
<b>Cash and cash equivalents brought forward</b>	<b>(306)</b>		<b>4,344</b>
<b>Cash and cash equivalents carried forward</b>	<b>45,122</b>		<b>(670)</b>
Fixed deposits	9,000		-
Money market placement	28,000		-
Cash and bank balances	8,122		1,760
Bank overdrafts	-		(2,430)
	<b>45,122</b>		<b>(670)</b>

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 THIRD QUARTER ENDED 30 SEPTEMBER 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 third quarter ended 30 September 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 THIRD QUARTER ENDED 30 SEPTEMBER 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.

	<u>Revenue</u>		<u>Profit/(Loss) before tax</u>	
	<u>Year To Date Ended</u>		<u>Year To Date Ended</u>	
	<u>30-Sep-18</u>	<u>30-Sep-17</u>	<u>30-Sep-18</u>	<u>30-Sep-17</u>
	RM'000	RM'000	RM'000	RM'000
Apparels, footwear & accessories	88,533	71,393	(1,452)	1,223
Beauty & Wellness	-	208	-	(259)
Constructions	58,829	15,033	2,588	586
Investment holdings and others	-	-	(4,322)	(2,502)
	<u>147,362</u>	<u>86,634</u>	<u>(3,186)</u>	<u>(952)</u>
<u>Disposal</u>				
Apparels, footwear & accessories	-	60,285	-	(818)
Adjustments & Eliminations	-	-	-	-
Consolidated	<u><b>147,362</b></u>	<u><b>146,919</b></u>	<u><b>(3,186)</b></u>	<u><b>(1,770)</b></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. Changes In The Composition of The Group**

There were no material changes to the composition of the Group for the current quarter under review, except for the incorporation of Buildmarque Construction Sdn Bhd ("BMSB") on 15 August 2018 with an ordinary share capital of RM2. It is intended to be a joint venture company between Vertice Berhad and Vizione Holdings Berhad with each holding 50% of the enlarged ordinary share capital of BMSB at a later period as announced on 14 August 2018.

**A11. 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.

**A12. Material Capital Commitments**

There were no material capital commitments approved or contracted for as at 30 September 2018.

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**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018**

**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 30 September 2018**

	Quarter ended		Changes	Year To Date Ended		Changes
	30-Sep-18	30-Sep-17		30-Sep-18	30-Sep-17	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	70,572	26,085	44,487	147,362	86,634	60,728
Profit/(Loss) from operations	(3,808)	(255)	(3,553)	(5,172)	(728)	(4,444)
Profit/(Loss) before interest	(3,799)	(139)	(3,660)	(2,968)	(578)	(2,390)
Profit/(Loss) before taxation	(3,726)	(265)	(3,461)	(3,186)	(952)	(2,234)
Profit/(Loss) for the period	(3,754)	(278)	(3,476)	(3,200)	(1,426)	(1,774)
Comprehensive income/(loss) attributable to equity holders of the parent	(3,755)	(310)	(3,445)	(3,318)	(1,924)	(1,394)

**Current Quarter**

**(i) Group**

Group revenue increased by RM44.5 million from RM26.1 million in the preceding year corresponding quarter to RM70.6 million in the current quarter. The construction business recorded increase of revenue of RM40.2 million due to two of the on-going projects progressing with higher capacity in terms of value of work done and thus higher progress billings while the fashion retail recorded increase of revenue of RM4.3 million due to tax free period before the implementation of sales and service tax (SST) starts 1 September 2018.

Group loss before tax was RM3.7 million as compared to RM0.3 million in the preceding year corresponding quarter due to fashion retail recorded RM3.0 million loss before tax as a result of lower profit margin for the pre-SST promotion and the inventory written down and writting off of certain old assets. The construction business achieved profit before tax of RM1.3 million as compared to RM0.3 million in the preceding year corresponding quarter due to higher progress billings for on-going contracts as well as commencement of new contracts.

**(ii) Fashion Retail**

Current quarter fashion retail business achieved RM24.1 million in 2018 compared with RM19.8 million in 2017, a sales growth of 21%, partly due to the tax free period before the implementation of sales and service tax (SST) starts 1 September 2018; however this segment recorded a loss before tax of RM3.2 million in 2018 compared with profit of RM0.5 million in 2017; it was mainly due to the lower profit margin for the pre-SST promotion and the inventory written down and writting off of certain old assets.

**(iii) Construction**

The construction business achieved a turnover of RM46.5 million which was substantially higher than the preceding year corresponding quarter of RM6.3 million. This was due to two of the on-going projects progressing with higher capacity in terms of value of work done and thus higher progress billings.

Gross profit margin was 3.5% as compared to 4.7% in the preceding year corresponding quarter due to higher contract sum projects attracts lower profit margins. Profit before tax was recorded at RM1.30 million with higher overheads as we expand the strength of our human resources and incurring higher administrative expenses.

Despite the slowdown in the activities of the construction industry as a result of the new government's cost-cutting exercises and postponement of awarding new construction contracts, the construction business segment has secured one state government contract valued at RM815 million in September 2018 and two private contracts of which one was awarded in August 2018 and the other in October 2018.

**Year-to-date**

**(i) Group**

The Group revenue increased by RM60.7 million from RM86.6 million in the preceding year corresponding period to RM147.4 million in the current period. The construction business contributed RM44 million or 72% of the increase in revenue while the remaining was contributed by fashion retail. The holding company recorded a loss before tax of RM4.3 million due to recognition of share option reserve of RM0.8 million, human resources expenses (including directors remunerations) of RM2.0 million, professional fees (including placement fees) of RM1.2 million and office expenses of RM0.3 million.

The operating loss of the retail fashion business was RM3.7 million. However, the actual segmental loss before tax recorded was RM1.5 million, after taking into account the gain on disposal of a subsidiary of RM2.2 million in the second quarter.

The Group's loss before taxation of RM3.2 million was mainly attributable to the losses incurred by the retail fashion and holding company's overheads.

**(ii) Fashion Retail**

The fashion retail recorded a year-to-date sales growth of 24% from RM71.4 million in peceeding year to RM88.5 million in the current year, however, the recorded a loss before tax of RM1.4 million in the current year compared with a profit before tax of RM1.2 million, it is mainly due to lower profit margin to drive volume sales, increasing operating cost, inventory written down and the writing off of certain old assets in the current year.

**(iii) Construction**

The construction business segment recorded revenue of RM58.8 million with a gross profit margin of 4.9%. Profit before tax was RM2.6 million as compared to RM0.6 million recorded in the preceding year current period. This better result was achieved due to higher volume of progress work done and work commencement for a few contracts secured in the current financial year.

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**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018**

**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**

	<b>Current Quarter 30-Sep-18</b>	<b>Immediate Preceding Quarter 30-Jun-18</b>	<b>Change</b>	
	RM'000	RM'000	RM'000	%
Revenue	70,572	36,284	34,288	94%
Profit/(Loss) from operations	(3,808)	(1,709)	(2,099)	123%
Profit/(Loss) before interest	(3,799)	693	(4,492)	-648%
Loss before taxation	(3,726)	568	(4,294)	-756%
Profit/(Loss) for the period	(3,754)	521	(4,275)	-821%
Profit/(Loss) net of tax - discontinued operations	-	(258)	258	-100%
Comprehensive income/(loss) attributable to equity holders of the parent	(3,755)	177	(3,932)	-2221%

The Group recorded a revenue of RM70.6 million in the current quarter, representing an increase of 94% or RM34.3 million over the immediate preceding quarter. The increase in construction revenue was RM42.2 million while the retail fashion recorded a decrease in revenue of RM7.9 million. Thus, the increase in Group revenue for the current quarter over the immediate preceding quarter was contributed entirely by the construction business and for the first time the construction business has taken the lead in terms of quarterly revenue contribution.

The Group's current quarter loss before tax was RM3.7 million as compared to RM0.6 million profit before tax in the immediate preceding quarter. The net effect of decrease of RM4.3 million was mainly due to losses suffered by the retail fashion of RM3.0 million.

The construction business segment recorded a revenue of RM46.5 million as compared to RM4.3 million in the immediate preceding quarter due to higher volume of progress work done and work commencement for a few contracts secured in the current financial year.

The gross profit margin for the current quarter was 3.5% as compared to immediate preceding quarter of 6.0% while the year-to-date gross profit margin was 5.0%. Progress billing for the current quarter was RM46.0 million as compared to immediate preceding quarter of RM4.0 million due to the same reason for the increase in revenue above.

The profit before tax of the construction business for the current quarter was RM1.3 million as compared to RM0.1 million in the immediate preceding quarter due to higher progress billings with reasonable profit margins achieved in spite of marginal increase in overheads.

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

The Group's retail fashion business continued facing challenges in the current quarter as evident from its loss before tax of RM3.0 million. It is expected that the retail fashion will continue to suffer setback in the next quarter due to 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. The retail fashion industry is expected to be affected by the purchasing appetite, budget constraint and selective purchasing behaviour of the consumers. The prospect of the retail fashion is further impacted by the ever increasing online purchasing of retail fashion products with more selections (locally and abroad) and lower prices.

In view of the tough business conditions and environment of the retail fashion business, the Group is reviewing and rationalising the possibility of disposing in whole or in part the retail fashion business to interested buyer(s). This will help to alleviate the financial burden of the Group in terms of earnings, gearing and net assets while at the same time improving returns on utilisation of resources and shareholders equity.

In line with the Group's diversification initiative, our construction business segment is continuously sourcing for new projects to enhance its order book and these projects are expected to contribute positively to the future earnings and net assets of the Group.

The Group's construction arm, Vertice Construction Sdn Bhd, through its wholly-owned subsidiary, Buildmarque Construction Sdn Bhd, was awarded a contract worth RM815 million for the construction of a by-pass from Bandar Baru Ayer Hitam connecting to Lebuhraya Tun Dr Lim Chong Eu (Package 2 of the Penang Mega Infrastructure Project) ("PMIP") in August 2018. The Group expects this contract to contribute positively to the future earnings and net assets of the Group over a period of 36 months commencing 2019.

The Group is confident of securing more contracts from the PMIP in view that the said PMIP total contract value is RM6.0 billion (excluding Feasibility Study & Detailed Design worth RM305 million). With more Packages being secured from the PMIP, the Group is expected to be kept busy for the next 10 years in terms of its construction business activities.

The Group will continue with its diversification into infrastructure 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:-

	<b>Current Quarter</b>	<b>Year to Date</b>
	<b>30-Sep-18</b>	<b>30-Sep-18</b>
	RM'000	RM'000
Current year tax expense	28	16
Under/(over) provision in prior year	-	-
Real Property Gain Tax ("RPGT")	-	33
Deferred tax expenses/(reversal)	-	(63)
	<b>28</b>	<b>(14)</b>

The RPGT arose from the disposal of a property unit in Penang in the previous financial year.

**B6. Group Borrowings and Debt Securities**

	<b>Quarter ended 30-Sep-2018</b>			<b>Quarter ended 30-Sep-2017</b>		
	<b>Secured Debt</b>	<b>Unsecured Debt</b>	<b>Total</b>	<b>Secured Debt</b>	<b>Unsecured</b>	<b>Total</b>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Short-term borrowings</u>						
Term loan	-	-	-	118	102	220
Bill payable	3,040	1,852	4,892	4,003	9,719	13,722
Bank overdrafts	-	-	-	1,842	588	2,430
Finance lease liabilities	-	119	119	0	104	104
	<b>3,040</b>	<b>1,971</b>	<b>5,011</b>	<b>5,963</b>	<b>10,513</b>	<b>16,476</b>
<u>Long-term borrowings</u>						
Term loan	-	-	-	342	105	447
Finance lease liabilities	-	87	87	0	95	95
	<b>-</b>	<b>87</b>	<b>87</b>	<b>342</b>	<b>200</b>	<b>542</b>

The Group does not have any foreign currency borrowings as at 30 September 2018. All borrowings indicated above are denominated in Ringgit Malaysia.

**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.

**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 THIRD QUARTER ENDED 30 SEPTEMBER 2018**

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

**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.

	<b>Current Quarter</b>	<b>Year to Date</b>
	<b>30-Sep-18</b>	<b>30-Sep-18</b>
	RM'000	RM'000
Earnings attributable to owners of the Company	(3,755)	(3,318)
Weighted average number of ordinary shares ('000)	182,660	157,686
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)	<u>248,758</u>	<u>223,784</u>
Earnings/(loss) per ordinary share (sen)		
Basic	(2.06)	(2.10)
Diluted	<u>(1.51)</u>	<u>(1.48)</u>

**B10. Significant Event Subsequent to Reporting Period**

There were no significant events subsequent to reporting period.

**B11. Status of Corporate Proposal Announced**

During the quarter, the status of utilisation of the proceeds raised from the corporate proposal are as follows:-

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Intended Timeframe for Utilisation	Yet to be utilised amount RM'000	%	Explanation (if "Yet to be utilised" is 5% or more)
(i) Construction project expenditure	34,373	4,842	24 months	29,531	86%	Note 1
(ii) Working capital	3,000	963	12 months	2,037	68%	Note 1
(iii) Expenses to private placement	1,000	1,059	Immediate			

Note 1 : The corporate proposal which was expected to be completed by 23 September 2018 had been extended to 23 March 2019 for the remaining 1.85 million equity shares. The proceeds allocated for construction project expenditure has a timeframe for utilisation until 23 September 2020. For working capital, the timeframe for utilisation is until 23 September 2019.