

VERTICE BERHAD

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

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018

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

	Quarter ended		Change %	Year to date ended		Change %
	31-Dec-18 RM'000	31-Dec-17 RM'000		31-Dec-18 RM'000	31-Dec-17 RM'000	
Continuing Operations						
Revenue	53,273	33,620	58%	200,635	120,252	67%
Operating expenses	(53,434)	(34,795)	54%	(199,725)	(118,045)	69%
Amortisation & depreciation	(740)	(439)	69%	(2,818)	(2,293)	23%
PPE written off	-	(1)	-100%	(1,382)	(1,489)	-100%
Impairment loss on receivables	-	(150)		-	(150)	
Inventories written-off	-	(441)	0%	-	(702)	-100%
Inventories written down	138	(156)	-188%	(2,384)	(677)	252%
Foreign exchange (loss)/gain	-	-	0%	-	-	#DIV/0!
Loss from operations	(763)	(2,362)	-68%	(5,674)	(3,104)	83%
Other operating income	12	565	-98%	2,216	729	204%
Loss before interest	(751)	(1,797)	-58%	(3,458)	(2,375)	46%
Interest Expenses	(72)	(164)	-56%	(480)	(567)	-15%
Interest Income	176	-	100%	366	30	1120%
Loss before taxation	(647)	(1,961)	-67%	(3,572)	(2,912)	23%
Income tax reversal / (expense)	941	(205)	-559%	927	(680)	-236%
Profit/(Loss) for the period from continuing operations	294	(2,166)	-114%	(2,645)	(3,592)	-26%
Discontinued Operations						
Loss net of tax, discontinued operations	-	(994)	-100%	-	(1,526)	-100%
Profit/(Loss) for the period	294	(3,160)	-109%	(2,645)	(5,118)	-48%
Other comprehensive income	-	-		-	-	
Total comprehensive income/(loss)	294	(3,160)	-109%	(2,645)	(5,118)	-48%
Total comprehensive income/(loss) attributable to:						
Owners of the Company	241	(2,900)		(2,816)	(4,824)	
Non-controlling interests	53	(260)		171	(294)	
	294	(3,160)		(2,645)	(5,118)	
Earning/(Loss) per share attributable to equity holders of the parent:						
Basic (sen)	0.13	-2.00		-1.71	-3.32	
Diluted (sen)	0.10	-1.41		-1.22	-2.32	

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 FOURTH QUARTER ENDED 31 DECEMBER 2018

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31-Dec-18	As at 31-Dec-17
	RM'000	RM'000
	(Unaudited)	(Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	9,898	6,340
Investment properties	1,579	1,623
Investment in quoted shares	0	-
Investment in joint ventures	500	-
Intangible assets	196	247
Other investments	9,875	9,875
Retention Sum	1,495	-
	23,543	18,085
Current Assets		
Inventories	42,805	53,099
Trade receivables	57,138	15,683
Other receivables, deposits and prepayments	13,419	11,040
Amount due from contract customers	1	1,114
Asset of disposal group classified as held for sales	-	59,432
Income tax assets	594	335
Deferred Tax Assets	836	-
Fixed deposits	11,000	-
Cash and bank balances	26,413	2,429
	152,206	143,132
TOTAL ASSETS	175,749	161,217
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	112,395	74,022
Retained earnings	16,518	18,611
	128,913	92,633
Non-controlling interests	(102)	(272)
Total Equity	128,811	92,361
Non Current Liabilities		
Long term borrowings	59	402
Deferred tax liabilities	-	184
	59	586
Current Liabilities		
Trade payables	32,689	18,441
Other payables	4,846	10,419
Deposits and Accruals	2,880	-
Short term borrowings	5,756	14,780
Bank overdrafts	0	-
Liabilities directly associated with disposal group classified as held for sale	-	24,630
Income tax liabilities	-	-
Retention Sum	708	-
	46,879	68,270
Total Liabilities	46,938	68,856
TOTAL LIABILITIES AND EQUITY	175,749	161,217
Net Asset per share (in RM)	0.78	0.64

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 FOURTH QUARTER ENDED 31 DECEMBER 2018

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to owners of the Company →				→				
	← Non-Distributable →		→ Distributable					Non-controlling Interests	Total Equity
	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		
Share option value	0	0	779	0	779	0	779		
Non-exercise of share option	0	0	(779)	779	0	0	0		
Shares issued during the year	38,373	0	0	0	38,373	0	38,373		
Total comprehensive profit for the period	0	0	0	(2,872)	(2,872)	171	(2,701)		
As At 31 December 2018	112,395	0	0	16,518	128,913	(101)	128,812		
As At 1 January 2017	66,000	102	0	23,436	89,538	22	89,560		
Shares issued during the year	7,920	0	0	0	7,920	0	7,920		
Converted	102	(102)	0	0	0	0	0		
Total comprehensive profit for the period	0	0	0	(4,824)	(4,824)	(294)	(5,118)		
As At 31 December 2017	74,022	0	0	18,612	92,634	(272)	92,362		

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 FOURTH QUARTER ENDED 31 DECEMBER 2018

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	31-Dec-18	Year To Date Ended
	RM'000	31-Dec-17
		RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(3,572)	(4,073)
Adjustments for:		
Amortisation & depreciation	2,818	4,305
Impairment loss/(reversal) on receivables		150
Impairment loss/(reversal) on subsidiaries		
Interest expenses	480	889
Interest income	(176)	(30)
Gain on disposal of a subsidiary	(2,179)	138
Gain on disposal of property, plant & equipment	-	(863)
Property, plant & equipment written off	1,382	1,830
Inventories written-off	-	424
Inventories written down	2,384	1,104
Equity share-based payment	779	-
Unrealised loss/(gain) on foreign exchange	(0)	1
Operating profit before working capital changes	1,916	3,875
Changes in working capital:		
Decrease/(Increase) in inventories	7,911	(17,071)
Decrease/(Increase) in receivables	(57,496)	1,814
Increase/(Decrease) in payables	23,439	14,098
Net changes in related party balances	834	-
Net changes in inter-company balances	17,689	-
Cash absorbed by operations	(5,707)	2,716
Interest paid	(480)	(889)
Interest received	175	30
Income tax expense paid	(352)	(995)
Income tax refunded	-	168
Net cash from operating activities	(6,364)	1,030
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment in subsidiaries	21,000	-
Investment in other investment	(500)	(9,860)
Proceeds from disposal of a subsidiary	-	-
Proceeds from disposal of property, plant & equipment	-	455
Purchase of property, plant & equipment	(9,159)	(6,211)
Net cash used in investing activities	11,341	(15,616)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of bank borrowings	(62)	(667)
Proceeds from issue of share capital	39,373	7,920
Proceeds from bank borrowings	(427)	1,826
Repayment of BA	(6,143)	-
Net cash used in financing activities	32,741	9,079
Net changes in cash and cash equivalents	37,718	(5,507)
Effect of exchange rate changes	0	1
Cash and cash equivalents brought forward	(306)	4,344
Cash and cash equivalents carried forward	37,412	(1,162)
Fixed deposits	11,000	-
Money market placement	20,000	-
Cash and bank balances	6,412	3,006
Bank overdrafts	-	(4,168)
	37,412	(1,162)

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 FOURTH QUARTER ENDED 31 DECEMBER 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 FOURTH QUARTER ENDED 31 DECEMBER 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>31-Dec-18</u>	<u>31-Dec-17</u>	<u>31-Dec-18</u>	<u>31-Dec-17</u>
	RM'000	RM'000	RM'000	RM'000
Apparels, footwear & accessories	120,349	101,611	(2,659)	279
Beauty & Wellness	-	208	-	(258)
Constructions	80,286	18,434	4,139	756
Investment holdings and others	-	-	(5,052)	(3,690)
	<u>200,635</u>	<u>120,253</u>	<u>(3,572)</u>	<u>(2,913)</u>
<u>Disposal</u>				
Apparels, footwear & accessories	-	87,435	-	(1,160)
Adjustments & Eliminations	-	-	-	-
Consolidated	<u><u>200,635</u></u>	<u><u>207,688</u></u>	<u><u>(3,572)</u></u>	<u><u>(4,073)</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. Changes In The Composition of The Group

There were no material changes to the composition of the Group for the current quarter under review.

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 31 December 2018.

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INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 31 December 2018

	Quarter ended		Changes RM'000	Year To Date Ended		Changes RM'000
	31-Dec-18 RM'000	31-Dec-17 RM'000		31-Dec-18 RM'000	31-Dec-17 RM'000	
Revenue	53,273	33,620	19,653	200,635	120,252	80,383
Profit/(Loss) from operations	(763)	(2,362)	1,599	(5,674)	(3,104)	(2,570)
Profit/(Loss) before interest	(751)	(1,797)	1,046	(3,458)	(2,375)	(1,083)
Profit/(Loss) before taxation	(647)	(1,961)	1,314	(3,572)	(2,912)	(660)
Profit/(Loss) after taxation	294	(2,166)	2,460	(2,645)	(3,592)	947
Profit/(Loss) net of tax from discontinued operations	-	(994)	994	-	(1,526)	
Comprehensive income/(loss) attributable to equity holders of the parent	241	(2,900)	3,141	(2,816)	(4,824)	2,008

Current Quarter

(i) Group

Group revenue increased by RM19.7 million from RM33.6 million in the preceding year corresponding quarter to RM53.3 million in the current quarter. The increase was mainly attributed by the construction business which recorded increase of revenue of RM17.1 million due to the on-going projects progressing with higher capacity in terms of value of work done and thus higher progress billings and commencement of new projects secured. The fashion retail recorded marginal increase of revenue of RM1.6 million.

Group profit after tax improved from a loss after tax of RM2.2 million in the preceding year corresponding quarter to a profit of RM0.3 million due to the construction business achieved profit before tax of RM1.6 million as compared to RM0.4 million in the preceding year corresponding quarter as a result of higher progress billings for on-going contracts as well as commencement of new contracts. The fashion retail, however, recorded a loss before tax of RM1.2 million due to higher sales and distribution expenses, depreciation charges and payroll related cost.

(ii) Construction

The construction business achieved a turnover of RM21.5 million which was substantially higher than the preceding year corresponding quarter of RM4.4 million. This was due to the on-going projects progressing with higher capacity in terms of value of work done and thus higher progress billings and also commencement of new projects secured in the current quarter under review.

Gross profit margin was 9.4% as compared to 10.0% in the preceding year corresponding quarter due to lower profit margin from high contract sum jobs. Profit before tax was recorded at RM1.6 million as compared to RM0.4 million in the preceding year corresponding quarter due to higher revenue although administrative overheads has increased substantially as we expand the strength of our human resources.

During the quarter under review, the construction business has secured two additional contracts with contract values ranges from RM10.0 million to RM25.0 million and one existing project with increased contract value due to additional scope of works.

(iii) Fashion Retail

Current quarter fashion retail business revenue achieved RM31.8 million in 2018 compared with RM30.2 million in 2017, a sales growth of 5%; however this segment recorded a loss after tax of RM1.2 million in 2018 compared with loss before tax of RM0.9 million in 2017; it was mainly due to higher sales and distribution expenses, depreciation charges and payroll related cost.

Year-to-date

(i) Group

The Group revenue increased by RM80.4 million from RM120.2 million in the preceding year corresponding period to RM200.6 million in the current period. The construction business contributed RM62 million or 77% of the increase in revenue while the remaining was contributed by fashion retail. The holding company recorded a loss before tax of RM5.0 million due to human resources expenses (including directors remunerations) of RM2.3 million, professional fees (including placement fees) of RM1.6 million, share option cost of RM0.8 million and office expenses of RM0.5 million. The loss before tax of the fashion retail was RM2.6 million in the current year as compared to a profit before tax of RM0.3 million due to lower profit margin in order to gain market share, higher sales and distribution expenses, inventory written down and payroll related expenses in the current year.

The Group's loss before taxation of RM3.6 million was mainly attributable to the losses incurred by the fashion retail and holding company's overheads. The Group's EPS improved on a quarterly basis due to the construction business recording consistent net profit every quarter since last financial year.

(ii) Construction

The construction business segment recorded revenue of RM80.3 million with a gross profit margin of 6.1%. Profit before tax was RM4.1 million as compared to RM0.7 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.

(iii) Fashion Retail

The fashion retail business recorded a year-to-date revenue growth of 18% from RM101.6 million in 2017 to RM120.3 million in 2018. However, it recorded a loss before tax of RM2.6 million in the current year compared with a profit before tax of RM0.3 million, it is mainly due to lower profit margin in order to gain market share, higher sales and distribution expenses, inventory written down and payroll related expenses in the current year.

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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 31-Dec-18 RM'000	Immediate Preceding Quarter 30-Sep-18 RM'000	Change RM'000	%
Revenue	53,273	70,572	(17,299)	-25%
Profit/(Loss) from operations	(763)	(3,808)	3,045	-80%
Profit/(Loss) before interest	(751)	(3,799)	3,048	-80%
Loss before taxation	(647)	(3,726)	3,079	-83%
Profit/(Loss) after taxation	294	(3,754)	4,048	-108%
Comprehensive income/(loss) attributable to equity holders of the parent	241	(3,755)	3,996	-106%

The Group recorded a revenue of RM53.3 million in the current quarter, representing a decrease of 25% or RM17.3 million over the immediate preceding quarter. The decrease was mainly due to the construction revenue was RM25.0 million lower as compared to immediate preceding quarter as a result of slowdown in the progress work of one of the project. However, the fashion retail achieved a revenue growth of 32% or RM7.7 million.

The Group's current quarter profit after tax was RM0.3 million as compared to RM3.7 million loss after tax in the immediate preceding quarter. The net effect of improvement of RM4.0 million was mainly due to better profit achieved by the construction business and lower loss from the fashion retail.

The construction business segment recorded a revenue of RM21.4 million as compared to RM46.5 million in the immediate preceding quarter due to slowdown in the progress work done of one of the project in the current quarter under review.

The gross profit margin for construction for the current quarter was 9.4% as compared to immediate preceding quarter of 3.5% while the year-to-date gross profit margin was 6.1%. Progress billing for the current quarter was RM21.4 million as compared to immediate preceding quarter of RM46.5 million due to the same reason for the decrease in revenue above.

The profit before tax of the construction business for the current quarter was RM2.0 million as compared to RM1.3 million in the immediate preceding quarter due to higher profit margin achieved for one of the special roofing job in spite of lower revenue in the current quarter as compared to immediate preceding quarter.

B3. Group's Prospects For Financial Year Ending 31 March 2019

Being in the fashion retailing business, the Group continues to face challenges as a result of stiff competition from international brands as well as other established brands in the local market, ever-changing consumers' taste and preference as well as rising operating costs. The soft consumer sentiments in Malaysia further aggravated the competition landscape in the local fashion retailing industry.

The challenging operating environment has translated to a decline in the financial performance of Kumpulan Voir whereby it recorded a loss before tax of RM2.66 million for the 12-month financial period ending ("FPE") 31 December 2018 as compared to a profit before tax of RM0.02 million for the 12-month FPE 31 December 2017, despite achieving higher revenue and recognising a gain on disposal of Applemints Apparels Sdn Bhd of RM2.18 million.

In view of the tough business conditions and environment of the retail fashion business, the Group has on 18 February 2019 obtained approval from its shareholders to disposed 60% equity interest in Kumpulan Voir Sdn Bhd ("KVSBS") for a total cash consideration of approximately RM32.62 million to Mr Seow (Executive Deputy Chairman) and provision of financial assistance of RM13.1 million corporate guarantee for the banking facilities procured by KVSBS. 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 financials 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 project is expected to commence construction on 31 August 2019 and it is expected to contribute positively to the financials of the Group.

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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INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018**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-Dec-18	31-Dec-18
	RM'000	RM'000
Current year tax expense	16	60
Under/(over) provision in prior year	-	-
Real Property Gain Tax ("RPGT")	-	33
Deferred tax expenses/(reversal)	(957)	(1,020)
	<u>(941)</u>	<u>(927)</u>

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

B6. Group Borrowings and Debt Securities

	Quarter ended 31-Dec-2018			Quarter ended 31-Dec-2017		
	Secured Debt	Unsecured Debt	Total	Secured Debt	Unsecured	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Short-term borrowings</u>						
Term loan	-	-	-	126	-	126
Bill payable	2,588	3,060	5,648	5,822	11,786	17,608
Bank overdrafts	-	-	-	1,808	2,360	4,168
Finance lease liabilities	-	108	108	0	128	128
	<u>2,588</u>	<u>3,168</u>	<u>5,756</u>	<u>7,756</u>	<u>14,274</u>	<u>22,030</u>
<u>Long-term borrowings</u>						
Term loan	-	-	-	301	-	301
Finance lease liabilities	-	59	59	0	101	101
	<u>-</u>	<u>59</u>	<u>59</u>	<u>301</u>	<u>101</u>	<u>402</u>

The Group does not have any foreign currency borrowings as at 31 December 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.

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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.

Current Quarter **Year to Date**
31-Dec-18 **31-Dec-18**
RM'000 RM'000

Earnings attributable to owners of the Company	241	(2,816)
Weighted average number of ordinary shares ('000)	184,785	164,992
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)	250,883	231,090
Earnings/(loss) per ordinary share (sen)		
Basic	0.13	(1.71)
Diluted	0.10	(1.22)

B10. Significant Event Subsequent to Reporting Period

(1) The Group's proposals on disposal of 60% equity interest in Kumpulan Voir Sdn Bhd ("KVS") for a total cash consideration of approximately RM32.62 million to Mr Seow (Executive Deputy Chairman) and provision of financial assistance of RM13.1 million corporate guarantee for the banking facilities procured by KVS were approved by shareholders during an EGM on 18 February 2019.

(2) The Group has, through its joint venture company (JV Co), Buildmarque Construction Sdn Bhd (a 50:50 JV Co owned by Vertice Construction Sdn Bhd and Vizione Construction Sdn Bhd, a wholly-owned subsidiary of Vizione Holdings Berhad) on 31 January 2019 accepted the Letter of Award and its supplemental letter of award from Consortium Zenith Construction Sdn Bhd for the proposed construction of a by-pass from Bandar Baru Air Itam connecting to Lebuhraya Tun Dr Lim Chong Eu (ie. Package 2 of the Penang Mega Infrastructure Project) for a fixed contract sum of RM815.00 million. Bursa Securities has approved the draft circular on 22 February 2019 and it is pending the approval from shareholders of Vertice Berhad in an EGM to be convened in due course.

B11. Status of Corporate Proposal Announced

The status of utilisation of the proceeds raised from the corporate proposal since Quarter 3, 2018 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	8,201	24 months	26,172	76%	Note 1
(ii) Working capital	3,000	2,052	12 months	948	32%	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.