

# VERTICE BERHAD

(Company No. 200701007217 / 765218-V)

## INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2019

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

	Unaudited Quarter ended			Unaudited Year to date ended		
	30-Sep-19 RM'000	30-Sep-18 RM'000	Change %	30-Sep-19 RM'000	30-Sep-18 RM'000	Change %
<b>Continuing Operations</b>						
Revenue	15,853	46,468	-66%	27,492	50,725	-46%
Operating expenses	(15,822)	(47,044)	-66%	(27,395)	(52,391)	-48%
Amortisation & depreciation	(347)	-	-	(394)	-	-
Impairment loss on receivables	-	-	-	-	-	-
PPE written off	-	-	-	-	-	-
Inventories written-off	-	-	-	-	-	-
Inventories written down	-	-	-	-	-	-
Foreign exchange (loss)/gain	-	-	-	-	-	-
<b>Profit/(Loss) from operations</b>	<b>(316)</b>	<b>(576)</b>	<b>-45%</b>	<b>(297)</b>	<b>(1,666)</b>	<b>-82%</b>
Other operating income	-	-	-	-	-	-
<b>Profit/(Loss) before interest</b>	<b>(316)</b>	<b>(576)</b>	<b>-45%</b>	<b>(297)</b>	<b>(1,666)</b>	<b>-82%</b>
Interest Expenses	(4)	-	-	(8)	-	-
Interest Income	12	79	100%	50	79	100%
<b>Profit/(Loss) before taxation</b>	<b>(308)</b>	<b>(497)</b>	<b>-38%</b>	<b>(255)</b>	<b>(1,587)</b>	<b>-84%</b>
Income tax reversal / (expense)	(43)	-	-	(52)	(1)	-
<b>Profit/(Loss) for the period from continuing operations</b>	<b>(351)</b>	<b>(497)</b>	<b>-29%</b>	<b>(307)</b>	<b>(1,588)</b>	<b>-81%</b>
<b>Discontinued Operations</b>						
Loss net of tax, discontinued operations	<b>(3,686)</b>	<b>(3,029)</b>	<b>22%</b>	<b>(6,770)</b>	<b>(1,675)</b>	<b>304%</b>
<b>Profit/(Loss) for the period</b>	<b>(4,037)</b>	<b>(3,526)</b>	<b>14%</b>	<b>(7,077)</b>	<b>(3,263)</b>	<b>117%</b>
Other comprehensive income	-	-	-	-	-	-
<b>Total comprehensive income/(loss)</b>	<b>(4,037)</b>	<b>(3,526)</b>	<b>14%</b>	<b>(7,077)</b>	<b>(3,263)</b>	<b>117%</b>
<b>Total comprehensive income/(loss) attributable to:</b>						
Owners of the Company	(3,684)	(3,527)		(6,882)	(3,350)	
Non-controlling interests	(353)	1		(195)	87	
	<b>(4,037)</b>	<b>(3,526)</b>		<b>(7,077)</b>	<b>(3,263)</b>	

#### Earning/(Loss) per share attributable to equity holders of the parent:

Basic (sen)	-1.95	-1.93	-3.65	-2.04
Diluted (sen)	-1.34	-1.42	-2.51	-1.46

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 March 2019 and the accompanying explanatory notes attached to the interim consolidated Financial Statements.

# VERTICE BERHAD

(Company No. 200701007217 / 765218-V)

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2019

	Note	As at 30-Sep-19 RM'000 (Unaudited)	As at 31-Mar-19 RM'000 (Audited)
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment		2,244	2,078
Other investments		9,860	9,860
Right of use assets		1,587	-
		<b>13,691</b>	<b>11,938</b>
<b>Current Assets</b>			
Trade receivables	B7 (i)	37,084	69,050
Other receivables, deposits and prepayments	B7 (ii)	19,889	4,554
Contract assets		27	1
Tax recoverable		4,512	202
Cash and bank balances		3,795	18,096
		<b>65,307</b>	<b>91,903</b>
Asset held for sale		<b>70,075</b>	76,756
<b>Total current assets</b>		<b>135,382</b>	<b>168,659</b>
<b>TOTAL ASSETS</b>		<b>149,073</b>	<b>180,597</b>
 <b>EQUITY AND LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade payables		13,425	51,275
Other payables, deposits and accruals		12,571	977
Borrowings		197	142
Finance Lease Rental		309	-
		<b>26,502</b>	<b>52,394</b>
<b>Non Current Liabilities</b>			
Borrowings		678	526
Finance Lease Rental		1,293	-
Deferred tax liabilities		-	-
		<b>1,971</b>	<b>526</b>
<b>Total Liabilities</b>		<b>28,473</b>	<b>52,920</b>
<b>Capital and reserves</b>			
Share capital		114,097	114,097
Retained earnings		6,404	13,286
		<b>120,501</b>	<b>127,383</b>
Non-controlling interests		99	294
<b>Total Equity</b>		<b>120,600</b>	<b>127,677</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>149,073</b>	<b>180,597</b>
<b>Net Asset per share (in RM)</b>		<b>0.64</b>	<b>0.67</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 March 2019 and the accompanying explanatory notes attached to the interim consolidated Financial Statements.

# VERTICE BERHAD

(Company No. 200701007217 / 765218-V)

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2019 ( THE FIGURES HAVE NOT BEEN AUDITED)

	← Attributable to owners of the Company →					
	← Non-Distributable →		← Distributable →			Non-controlling Interests RM'000
	Share Capital RM'000	Share Options Reserve RM'000	Retained Earnings RM'000	Total RM'000	Total Equity RM'000	
<b>As At 1 April 2019</b>	114,097	-	13,286	127,383	294	
Share option value	-	-	-	-	-	-
Non-exercise of share option	-	-	-	-	-	-
Shares issued during the year	-	-	-	-	-	-
Total comprehensive profit for the period	-	-	(6,882)	(6,882)	(195)	<b>(7,077)</b>
<b>As At 30 September 2019</b>	<b><u>114,097</u></b>	<b><u>-</u></b>	<b><u>6,404</u></b>	<b><u>120,501</u></b>	<b><u>99</u></b>	<b><u>120,600</u></b>
<b>As At 1 April 2018</b>	74,022	260	18,643	92,925	(241)	<b>92,684</b>
Share option value	-	519	-	519	-	<b>519</b>
Non-exercise of share option	-	-	-	-	-	-
Shares issued during the year	38,373	-	-	38,373	-	<b>38,373</b>
Total comprehensive profit for the period	-	-	(3,350)	(3,350)	87	<b>(3,263)</b>
<b>As At 30 September 2018</b>	<b><u>112,395</u></b>	<b><u>779</u></b>	<b><u>15,293</u></b>	<b><u>128,467</u></b>	<b><u>(154)</u></b>	<b><u>128,313</u></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 March 2019 and the accompanying explanatory notes attached to the interim consolidated Financial Statements.

**VERTICE BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 30 SEPTEMBER 2019**

	<b>Unaudited 30-Sep-19 RM'000</b>	<b>Unaudited 30-Sep-18 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit /(Loss) before tax from continuing operations	(255)	(1,587)
Profit /(Loss) before tax from discontinued operations	(6,840)	(1,601)
Adjustments for:		
Amortisation & depreciation	2,108	943
Impairment loss/(reversal) on receivables	-	-
Equity share-based payment	-	519
Interest expenses	191	127
Interest income	(204)	(190)
Gain on disposal of a subsidiary	-	(2,179)
Gain on disposal of property, plant & equipment	(95)	-
Property, plant & equipment written off	3	1,340
Inventories written-off	459	-
Inventories written down	291	1,149
Unrealised loss/(gain) on foreign exchange	-	7
Operating profit/(loss) before working capital changes	(4,342)	(1,472)
Changes in working capital:		
Decrease/(Increase) in inventories	5,085	(2,890)
Decrease/(Increase) in receivables	19,929	(65,844)
Increase/(Decrease) in payables	(26,210)	64,396
Cash (used in)/from operations	(5,538)	(5,810)
Interest paid	(191)	(127)
Interest received	204	190
Income tax paid	(4,362)	(197)
Income tax refunded	260	-
<b>Cash (used in)/from operating activities</b>	<b>(9,627)</b>	<b>(5,944)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment in other investment	-	-
Proceeds from disposal of a subsidiary	-	21,000
Proceeds from disposal of property, plant & equipment	95	-
Purchase of property, plant & equipment	(1,621)	(1,789)
<b>Net cash used in investing activities</b>	<b>(1,526)</b>	<b>19,211</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of bank borrowings	(76)	(5,059)
Proceeds from issue of share capital	-	38,373
Proceeds from bank borrowings	-	-
Repayment of BA	(4,398)	(1,873)
<b>Net cash used in financing activities</b>	<b>(4,474)</b>	<b>31,441</b>
<b>Net changes in cash and cash equivalents</b>	<b>(15,627)</b>	<b>44,708</b>
<b>Effect of exchange rate changes</b>	<b>-</b>	<b>(7)</b>
<b>Cash and cash equivalents brought forward</b>	<b>33,386</b>	<b>421</b>
<b>Cash and cash equivalents carried forward</b>	<b>17,759</b>	<b>45,122</b>
<b>Continuing operations</b>		
Money market placement	2,000	28,000
Cash and bank balances	1,795	74
<b>Discontinued operations</b>		
Fixed deposits	12,533	9,000
Cash and bank balances	1,433	8,048
Bank overdrafts	(2)	-
	<b>17,759</b>	<b>45,122</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 March 2019 and the accompanying explanatory notes attached to the interim consolidated Financial Statements.

# VERTICE BERHAD

(Company No. 200701007217 / 765218-V)

## INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2019

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

#### **A1. Basis of Preparation**

The unaudited condensed interim financial statements for the second quarter ended 30 September 2019 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 March 2019 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 March 2019, 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 March 2019 was not subject to any qualification.

#### **A3. Seasonal Or Cyclical Factors**

The construction business of the Group is not affected by any seasonal or cyclical factors, whereas the fashion retail business is 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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(Company No. 200701007217 / 765218-V)

## INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2019

### 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 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-19</u>	<u>30-Sep-18</u>	<u>30-Sep-19</u>	<u>30-Sep-18</u>
	RM'000	RM'000	RM'000	RM'000
<b><u>Continuing Operations</u></b>				
Constructions	27,492	50,725	692	1,609
Investment holdings and others	-	-	(947)	(3,196)
	<u>27,492</u>	<u>50,725</u>	<u>(255)</u>	<u>(1,587)</u>
<b><u>Discontinued Operations</u></b>				
Apparels, footwear & accessories	52,444	56,241	(6,840)	(1,556)
Beauty & Wellness	-	-	-	-
	<u>52,444</u>	<u>56,241</u>	<u>(6,840)</u>	<u>(1,556)</u>
<b><u>Disposal</u></b>				
Apparels, footwear & accessories	-	18,289	-	(258)
	<u>52,444</u>	<u>74,530</u>	<u>(6,840)</u>	<u>(1,814)</u>
Consolidated				

#### 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. Commitments

There were no material capital commitments approved or contracted for as at 30 September 2019.

# VERTICE BERHAD

(Company No. 200701007217 / 765218-V)

## INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2019

### 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 2019

	Quarter ended		Changes RM'000	Year To Date Ended		Changes RM'000
	30-Sep-19 RM'000	30-Sep-18 RM'000		30-Sep-19 RM'000	30-Sep-18 RM'000	
<b>Continuing operations</b>						
Revenue from continuing operations - Construction	15,853	46,468	(30,615)	27,492	50,725	(23,233)
Profit/(Loss) before taxation	(308)	(497)	189	(255)	(1,587)	1,332
Profit/(Loss) after taxation	(351)	(497)	146	(307)	(1,588)	1,281
<b>Discontinued Operations</b>						
Revenue from discontinued operations - Fashion Retail	23,274	24,196	(922)	52,444	56,241	(3,797)
Profit/(Loss) net of tax from discontinued operations	(3,686)	(3,029)	(657)	(6,770)	(1,675)	(5,095)
Comprehensive income/(loss) attributable to equity holders of the parent	(3,684)	(3,527)	(157)	(6,882)	(3,350)	(3,532)

#### (i) Construction

The construction business recorded a turnover of RM15.9 million in the current quarter which was lower than the preceding year corresponding quarter of RM46.5 million. The revenue in the current period was lower mainly due to revenue recognised for a major project of approximately RM35.9 million in the preceding year corresponding quarter.

Loss before tax was recorded at RM0.3 million in the current quarter compared to RM0.5 million in the preceding year corresponding quarter mainly due to slightly better margin recorded in the current quarter coupled with professional costs on fund raising exercise incurred during the preceding year corresponding quarter. As shown in Note A8 on Segmental Reporting, the Construction Segment generated profit before tax of RM0.7 million, being an increase of RM0.2 million from the immediate preceding quarter's result of RM0.5 million, indicating that the construction segment is performing satisfactorily. This however was weighed down by the results of the investment holding segment which suffered loss before tax of RM0.9 million therefore bringing the overall result to a loss before tax of RM255,000.

#### (ii) Fashion Retail

Fashion retail business revenue achieved RM23.3 million in current quarter compared with RM24.2 million in preceding year corresponding quarter with marginal drop of RM0.9 million; this segment recorded a loss after tax of RM3.7 million in the current quarter compared to preceding year corresponding quarter of RM3.0 million mainly due to lower gross profit margin and higher operating expenses.

# VERTICE BERHAD

(Company No. 200701007217 / 765218-V)

## INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2019

### 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 30-Sep-19 RM'000	Immediate Preceding Quarter 30-Jun-19 RM'000	Change RM'000	%
<b>Continuing operations</b>				
Revenue from continuing operations - Construction	15,853	11,639	4,214	36%
Profit/(Loss) from operations	(316)	19	(335)	-1763%
Profit/(Loss) before taxation	(308)	53	(361)	-681%
Profit/(Loss) after taxation	(351)	44	(395)	-898%
<b>Discontinued Operations</b>				
Revenue from discontinued operations - Fashion Retail	23,274	29,170	(5,896)	-20%
Profit/(Loss) net of tax from discontinued operations	(3,686)	(3,084)	(602)	20%
Comprehensive income/(loss) attributable to equity holders of the parent	(3,684)	(3,198)	(486)	15%

#### (i) Construction

The Group recorded the construction revenue of RM15.9 million in the current quarter, representing an increase of RM4.2 million over the immediate preceding quarter, this was mainly due to projects picking up momentum in execution towards middle of the current financial year.

The loss before tax in current quarter of RM0.3 million as compared to profit before tax of RM0.1 million in the immediate preceding quarter was mainly due to overall increase in administrative expenses particularly pertaining to AGM and annual report printing which falls under the investment holding segment. The construction segment's profitable performance as shown in Note A8, has also been weighed down by the recurring expenditure of the investment holding segment leading to its cumulative year to date result.

#### (ii) Fashion Retail

The loss after tax of the fashion retail was RM3.7 million in the current quarter as compared to the immediate preceding quarter of RM3.1 million mainly due to lower sales.

#### B3. Group's Prospects For Financial Period Ending 30 September 2019

The Group's outstanding order book stands at approximately RM1 billion which includes the PMIP project mentioned below.

The Group's construction arm, Vertice Construction Sdn Bhd, through its 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 has commenced in November 2019 and it is expected to contribute positively to the financials of the Group for the financial year ending 31 March 2020.

Based on the above and barring any unforeseen circumstances, Vertice expects to perform satisfactorily in the coming years.

#### B4. Variance Of Profit Forecast

The Group did not issue any profit forecast or profit guarantee during the current financial year under review.



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## INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2019

### 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 30-Sep-19 RM'000	Year to Date 30-Sep-19 RM'000
<b>Continuing Operations</b>		
Current year tax expense	43	52
<b>Discontinued Operations</b>		
Current year tax expense	23	41
Real Property Gain Tax ("RPGT")	-	-
Deferred tax expenses/(reversal)	-	(110)
	<u>23</u>	<u>(69)</u>

#### B6. Group Borrowings and Debt Securities

The Group's borrowings are as follows:-

	Quarter ended 30-September-2019			Quarter ended 30-September-2018		
	Secured Debt RM'000	Unsecured Debt RM'000	Total RM'000	Secured Debt RM'000	Unsecured RM'000	Total RM'000
<u>Short-term borrowings</u>						
Finance lease liabilities	197	-	197	-	-	-
	<u>197</u>	<u>-</u>	<u>197</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Long-term borrowings</u>						
Finance lease liabilities	678	-	678	-	-	-
	<u>678</u>	<u>-</u>	<u>678</u>	<u>-</u>	<u>-</u>	<u>-</u>

The Group does not have any foreign currency borrowings as at 30 September 2019. All borrowings indicated above are denominated in Ringgit Malaysia.

#### B7. Receivables, deposits and prepayments

The ageing analysis of the Group's trade receivables and other receivables breakdown are as follows:-

	As at 30-Sep-19 RM'000	As at 31-Mar-19 RM'000
(i) Trade receivables from contracts with customers	38,309	70,275
Less: Impairment losses	(1,225)	(1,225)
	<u>37,084</u>	<u>69,050</u>
(ii) Other receivables	4,607	1,297
Deposits and prepayments	15,164	3,085
Input tax claimable	118	172
	<u>19,889</u>	<u>4,554</u>

#### B8. 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.

#### B9. Dividend Proposed

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

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## INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2019

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

#### B10. 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 30-Sep-19 RM'000	Year to Date 30-Sep-19 RM'000
Earnings attributable to owners of the Company	(3,684)	(6,882)
Number of ordinary shares ('000)	188,760	188,760
Adjustment for assumed exercise of warrants ('000)	60,000	60,000
Adjustment for assumed exercise of Proposed Private Placement ('000)	25,486	25,486
Adjustment for assumed number of ordinary shares issued and issuable ('000)	274,246	274,246
Earnings/(loss) per ordinary share (sen)		
Basic	(1.95)	(3.65)
Diluted	(1.34)	(2.51)

#### B11. Significant Event Subsequent to Reporting Period

There was no significant event subsequent to this reporting period.

#### B12. Status of Corporate Proposal Announced

(1) The Group's proposed disposal of 60% equity interest in Kumpulan Voir Sdn Bhd ("KVSB") 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 KVSB were approved by shareholders during an EGM on 18 February 2019. The parties to the SPA have mutually agreed for extension of 6 months from 13 September 2019 for the fulfilment of conditions precedent.

(2) On 1 July 2019, the Group announced that it had submitted an application to Bursa Securities for the Proposed Private Placement which entails the issuance of up to 25,485,800 Placement Shares, representing not more than 10% of the enlarged issued share capital of the Company after taking into consideration the existing number of issued shares of 188,760,000 shares and assuming full exercise of the outstanding warrants and outstanding SIS options into new Company shares. Subsequently on 17 July 2019, Bursa Securities had approved the listing and quotation of up to 25,485,800 Placement Shares to be issued pursuant to the Proposed Private Placement.

(3) The status of utilisation of the proceeds raised from the corporate proposal since Quarter 3, 2018 is 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	36,075	36,075	24 months	-	0%	Note 1
(ii) Working capital	3,000	3,000	12 months			
(iii) Expenses to private placement	1,000	1,000	Immediate			

Note 1 : The corporate proposal has been completed as announced on 19 March 2019, raising a total of RM40.08mil. The proceeds allocated for construction project expenditure has a timeframe for utilisation until 23 September 2020 and has been fully utilised.

#### B13. Authorization For Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 28 November 2019.