

VERTICE BERHAD
(Company No. 200701007217 / 765218-V)

INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2020

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

	Unaudited Quarter ended 30-Jun-20 RM'000	Audited 30-Jun-19 RM'000	Change %	Unaudited Year to date ended 30-Jun-20 RM'000	Audited 30-Jun-19 RM'000	Change %
Continuing Operations						
Revenue	4,656	11,639	-60%	4,656	11,639	-60%
Operating expenses	(7,703)	(11,573)	-33%	(7,703)	(11,573)	-33%
Amortisation & depreciation	(291)	(47)	519%	(291)	(47)	519%
Impairment loss on receivables	-	-	-	-	-	-
PPE written off	-	-	-	-	-	-
Inventories written-off	-	-	-	-	-	-
Inventories written down	-	-	-	-	-	-
Foreign exchange (loss)/gain	-	-	-	-	-	-
Profit/(Loss) from operations	(3,338)	19	-17668%	(3,338)	19	-17668%
Other operating income	-	-	-	-	-	-
Profit/(Loss) before interest	(3,338)	19	-17668%	(3,338)	19	-17668%
Interest Expenses	(5)	(4)	25%	(5)	(4)	25%
Interest Income	5	38	-87%	5	38	-87%
Profit/(Loss) before taxation	(3,338)	53	-6398%	(3,338)	53	-6398%
Income tax reversal / (expense)	(80)	(9)	789%	(80)	(9)	789%
Profit/(Loss) for the period from continuing operations	(3,418)	44	-7868%	(3,418)	44	-7868%
Discontinued Operations						
Loss net of tax, discontinued operations	(4,067)	(3,084)	32%	(4,067)	(3,084)	32%
Profit/(Loss) for the period	(7,485)	(3,040)	146%	(7,485)	(3,040)	146%
Other comprehensive income						
Fair value gain/(loss) on equity investments designated at fair value through other comprehensive income	-	-	-	-	-	-
Total comprehensive income/(loss)	(7,485)	(3,040)	146%	(7,485)	(3,040)	146%
Net profit/(loss) attributable to:						
Owners of the Company	(7,602)	(3,198)		(7,602)	(3,198)	
Non-controlling interests	117	158		117	158	
	(7,485)	(3,040)		(7,485)	(3,040)	
Total comprehensive income/(loss) attributable to:						
Owners of the Company	(7,602)	(3,198)		(7,602)	(3,198)	
Non-controlling interests	117	158		117	158	
	(7,485)	(3,040)		(7,485)	(3,040)	
Earning/(Loss) per share attributable to equity holders of the parent:						
Basic (sen)	-4.03	-1.69		-4.03	-1.69	
Diluted (sen)	-2.69	-1.17		-2.69	-1.17	

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 2020 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 JUNE 2020

	Note	As at 30-Jun-20 RM'000 (Unaudited)	As at 31-Mar-20 RM'000 (Audited)
ASSETS			
Non-Current Assets			
Property, plant and equipment		1,234	1,325
Other investments		9,860	9,860
Right of use assets		4,877	5,171
Trade receivables	B7 (i)	9,969	9,956
		<u>25,940</u>	<u>26,312</u>
Current Assets			
Trade receivables	B7 (i)	28,280	33,253
Other receivables, deposits and prepayments	B7 (ii)	15,784	11,637
Contract assets		4,624	4,339
Tax recoverable		3,171	5,893
Cash and bank balances		2,376	2,960
		<u>54,235</u>	<u>58,082</u>
Asset held for sale		<u>51,192</u>	55,169
Total current assets		<u>105,427</u>	<u>113,251</u>
TOTAL ASSETS		<u>131,367</u>	<u>139,563</u>
EQUITY AND LIABILITIES			
Current Liabilities			
Trade payables		8,748	13,867
Other payables, deposits and accruals		16,810	12,568
Contract liabilities		-	320
Borrowings		414	413
Finance Lease Rental		684	680
Provision for tax		-	-
		<u>26,656</u>	<u>27,848</u>
Non Current Liabilities			
Borrowings		1,479	1,514
Finance Lease Rental		2,270	2,442
Deferred tax liabilities		14	14
Trade payables		3,224	3,224
		<u>6,987</u>	<u>7,194</u>
Total Liabilities		<u>33,643</u>	<u>35,042</u>
Capital and reserves			
Share capital		114,097	114,097
Reserves		688	-
Retained earnings		(20,446)	(12,844)
		<u>94,339</u>	<u>101,253</u>
Non-controlling interests		3,385	3,268
Total Equity		<u>97,724</u>	<u>104,521</u>
TOTAL EQUITY AND LIABILITIES		<u>131,367</u>	<u>139,563</u>
Net Asset per share (in RM)		<u>0.50</u>	<u>0.54</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 March 2020 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 JUNE 2020
(THE FIGURES HAVE NOT BEEN AUDITED)

	← Attributable to owners of the Company →						Non-controlling Interests RM'000	Total Equity RM'000
	← Non-Distributable →			Distributable				
	Share Capital RM'000	Share Options Reserve RM'000	Fair Value Adjustment Reserve RM'000	Retained Earnings RM'000	Total RM'000	Total		
As At 1 April 2020	114,097	-	-	(12,844)	101,253	3,268	104,521	
Share option value	-	688	-	-	688	-	688	
Non-exercise of share option	-	-	-	-	-	-	-	
Shares issued during the period	-	-	-	-	-	-	-	
Total comprehensive loss for the period	-	-	-	(7,602)	(7,602)	117	(7,485)	
As At 30 June 2020	114,097	688	-	(20,446)	94,339	3,385	97,724	
As At 1 April 2019 (as previously reported)	114,097	-	-	13,286	127,383	294	127,677	
Prior year adjustments	-	-	-	(1,639)	(1,639)	-	(1,639)	
As At 1 April 2019 (as restated)	114,097	-	-	11,647	125,744	294	126,038	
Share option value	-	-	-	-	-	-	-	
Non-exercise of share option	-	-	-	-	-	-	-	
Shares issued during the period	-	-	-	-	-	-	-	
Total comprehensive loss for the period	-	-	-	(3,198)	(3,198)	158	(3,040)	
Subscription of shares	-	-	-	-	-	-	-	
As At 30 June 2019	114,097	-	-	8,449	122,546	452	122,998	

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 2020 and the accompanying explanatory notes attached to the interim consolidated Financial Statements.

VERTICE BERHAD
(Company No. 200701007217 / 765218-V)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 30 JUNE 2020

	Unaudited 30-Jun-20 RM'000	Unaudited 30-Jun-19 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax from continuing operations	(3,338)	53
Profit/(Loss) before tax from discontinued operations	(4,067)	(3,176)
Adjustments for:		
Amortisation & depreciation	2,041	883
Impairment loss/(reversal) on receivables	-	-
Equity share-based payment	688	-
Interest expenses	150	114
Interest income	(10)	(107)
Gain on disposal of a subsidiary	-	-
Gain on disposal of property, plant & equipment	-	-
Property, plant & equipment written off	13	3
Inventories written-off	54	207
Inventories written down	222	313
Unrealised loss/(gain) on foreign exchange	-	-
Operating profit/(loss) before working capital changes	<u>(4,247)</u>	<u>(1,710)</u>
Changes in working capital:		
Decrease/(Increase) in inventories	1,673	5,123
Decrease/(Increase) in receivables	(322)	11,320
Increase/(Decrease) in payables	(3,941)	(23,186)
(Increase)/Decrease in contract assets	(604)	-
Cash (used in)/from operations	<u>(7,441)</u>	<u>(8,453)</u>
Interest paid	(150)	(114)
Interest received	10	107
Income tax paid	(440)	(4,130)
Income tax refunded	3,072	-
Cash (used in)/from operating activities	<u>(4,949)</u>	<u>(12,590)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment in other investment	-	-
Proceeds from disposal of a subsidiary	-	-
Proceeds from disposal of property, plant & equipment	-	-
Purchase of property, plant & equipment	(87)	(3,203)
Net cash used in investing activities	<u>(87)</u>	<u>(3,203)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of bank borrowings	(1,062)	(98)
Proceeds from issue of share capital	-	-
Proceeds from bank borrowings	415	801
Repayment of BA	-	(1,735)
Repayment to directors	-	-
Net cash used in financing activities	<u>(647)</u>	<u>(1,032)</u>
Net changes in cash and cash equivalents	<u>(5,683)</u>	<u>(16,825)</u>
Effect of exchange rate changes	-	-
Cash and cash equivalents brought forward	<u>10,336</u>	<u>33,386</u>
Cash and cash equivalents carried forward	<u>4,653</u>	<u>16,561</u>
Continuing operations		
Money market placement	-	3,200
Cash and bank balances	2,376	2,329
Discontinued operations		
Fixed deposits	450	8,035
Cash and bank balances	1,833	3,076
Bank overdrafts	(6)	(79)
	<u>4,653</u>	<u>16,561</u>

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 2020 and the accompanying explanatory notes attached to the interim consolidated Financial Statements.

INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2020

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 30 June 2020 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 2020 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 2020, 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 2020 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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INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2020

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.

	Revenue		Profit/(Loss) before tax	
	Year To Date Ended		Year To Date Ended	
	30-Jun-20	30-Jun-19	30-Jun-20	30-Jun-19
	RM'000	RM'000	RM'000	RM'000
Continuing Operations				
Constructions	4,656	11,639	(1,640)	462
Investment holdings and others	-	-	(1,698)	(409)
	4,656	11,639	(3,338)	53
Discontinued Operations				
Apparels, footwear & accessories	10,237	29,170	(4,067)	(3,176)
	10,237	29,170	(4,067)	(3,176)

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. Related Party Transactions

Details of the relationship between the Group and its related parties are as described below:-

Name of Related Party	Relationship
Consortium Zenith Construction Sdn Bhd ("CZCSB")	A company which certain substantial shareholders have financial interest.

Shareholders' mandate had already been obtained at the Extraordinary General Meeting held on 21 March 2019.

The information on the transactions which have been entered into with CZCSB during the financial period is as follows:-

Related Party	Nature of Transactions	Quarter Ended		Year To Date Ended	
		30 June 2020	30 June 2020	30 June 2020	30 June 2020
		RM'000	RM'000	RM'000	RM'000
CZCSB	Sub-contracting works	2,635	2,635	8,142	8,142

A11. Changes In The Composition of The Group

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

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. Commitments

There were no material capital commitments approved or contracted for as at 30 June 2020.

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INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2020

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 June 2020

	Quarter ended		Changes	Year To Date Ended		Changes
	30-Jun-20	30-Jun-19		30-Jun-20	30-Jun-19	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Continuing operations</u>						
Revenue from continuing operations	4,656	11,639	(6,983)	4,656	11,639	(6,983)
Profit/(Loss) before taxation	(3,338)	53	(3,391)	(3,338)	53	(3,391)
Profit/(Loss) after taxation	(3,418)	44	(3,462)	(3,418)	44	(3,462)
<u>Discontinued Operations</u>						
Revenue from discontinued operations - Fashion Retail	10,237	29,170	(18,933)	10,237	29,170	(18,933)
Profit/(Loss) net of tax from discontinued operations	(4,067)	(3,084)	(983)	(4,067)	(3,084)	(983)
Comprehensive income/(loss) attributable to equity holders of the parent	(7,602)	(3,198)	(4,404)	(7,602)	(3,198)	(4,404)

(i) Construction

The construction business recorded a turnover of RM4.7 million in the current quarter which was lower than the preceding year corresponding quarter of RM11.6 million. The revenue in the current period was lower mainly due to temporary stoppage of work on most projects when the government's Movement Control Order came into effect on 18 March 2020, and work only resumed towards the end of the first quarter.

Loss before tax was recorded at RM3.3 million in the current quarter compared to profit before tax of RM0.1 million in the preceding year corresponding quarter mainly due to lower revenue as mentioned above. The current quarter loss continued to be weighed down by recurring expenditure from the investment holding segment which included RM0.7 million of equity share based payment expenses accounted for in this quarter arising from the implementation of the Share Issuance Scheme. The Movement Control Order had adversely impacted and delayed the progress of most projects.

(ii) Fashion Retail

Fashion retail business revenue achieved RM10.2 million in current quarter compared with RM29.2 million in preceding year corresponding quarter, dropped by RM19.0 million (65.1%); this segment recorded a loss after tax of RM4.1 million in the current quarter compared to preceding year corresponding quarter of RM3.1 million. The lower sales and higher losses are mainly due to the outbreak of COVID-19 pandemic, Malaysian government implemented the Movement Control Orders ("MCO") from 18 March 2020 to 3 May 2020, there was no revenue generated from all retail outlets and counters during the MCO period, even after fixed expenses such as staffs related costs and committed services are still incurred.

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INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2020

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-Jun-20 RM'000	Immediate Preceding Quarter 31-Mar-20 RM'000	Change RM'000	%
Continuing operations				
Revenue from continuing operations	4,656	16,511	(11,855)	-72%
Profit/(Loss) from operations	(3,338)	(2,335)	(1,003)	43%
Profit/(Loss) before taxation	(3,338)	(2,346)	(992)	42%
Profit/(Loss) after taxation	(3,418)	(1,683)	(1,735)	103%
Discontinued Operations				
Revenue from discontinued operations - Fashion Retail	10,237	21,691	(11,454)	-53%
Profit/(Loss) net of tax from discontinued operations	(4,067)	(12,699)	8,632	-68%
Comprehensive income/(loss) attributable to equity holders of the parent	(7,602)	(14,414)	6,812	-47%

(i) Construction

The Group recorded the construction revenue of RM4.7 million in the current quarter, representing a decrease of RM11.9 million over the immediate preceding quarter, this was mainly due to the progress of projects being affected and delayed when the Movement Control Order came into effect.

The loss before tax in current quarter of RM3.3 million as compared to loss before tax of RM2.3 million in the immediate preceding quarter was mainly due to lower revenue recognised in the current quarter coupled with recurring expenditure from the investment holding segment.

(ii) Fashion Retail

Fashion retail business revenue achieved RM10.2 million in current quarter compared with RM21.7 million in immediate preceding quarter, dropped by RM11.5 million (53.0%); The loss after tax of the fashion retail was RM4.1 million in the current quarter as compared to the immediate preceding quarter of RM12.7 million, mainly due to the outbreak of COVID-19 pandemic, during MCO period, there was no revenue generated from all retail outlets and counters, lower loss is also due to mark down provision made for slow moving aged stocks in the immediate preceding quarter.

B3. Group's Prospects

The Group's outstanding order book stands at approximately RM932 million which includes the PMIP project mentioned below.

The Group's construction arm 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 with early works preparation. However, due to the COVID-19 pandemic and Movement Control Order implemented by the Malaysian government, progress of works has been delayed until around December 2020 and barring any unforeseen circumstances, major construction works will then span over a period of 36 months.

Besides this, another project in the order book which will pick up work momentum in the coming quarters is the construction and completion of the Light Rail Transit Line 3 from Bandar Utama to Johan Setia with a contract sum worth RM100 million. This project primarily involves work on the Precast Viaduct (U-Trough Girder) and other related works.

Based on the above, Vertice remains cautiously optimistic of its performance with the gradual recovery in the overall economic climate which had been severely affected by the COVID-19 pandemic.

B4. Variance Of Profit Forecast

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

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INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2020

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-Jun-20	Year to Date 30-Jun-20
	RM'000	RM'000
Continuing Operations		
Current year tax expense	80	80
Under/(over) provision in prior year	-	-
Deferred tax expenses/(reversal)	-	-
	80	80
Discontinued Operations		
Current year tax expense	-	-
Under/(over) provision in prior year	-	-
Deferred tax expenses/(reversal)	-	-
	-	-

B6. Group Borrowings and Debt Securities

The Group's borrowings are as follows:-

	Quarter ended 30-June-2020			Quarter ended 30-June-2019		
	Secured Debt	Unsecured Debt	Total	Secured Debt	Unsecured Debt	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Short-term borrowings						
Finance lease liabilities	414	-	414	142	-	142
	414	-	414	142	-	142
Long-term borrowings						
Finance lease liabilities	1,479	-	1,479	491	-	491
	1,479	-	1,479	491	-	491

The Group does not have any foreign currency borrowings as at 30 June 2020. 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-Jun-20	As at 31-Mar-20
	RM'000	RM'000
(i) Trade receivables from contracts with customers & retention sum for contract work	40,337	45,297
Less: Impairment losses	(2,088)	(2,088)
	38,249	43,209
(ii) Other receivables	3,905	3,149
Advance payment for construction costs	7,000	7,000
Deposits and prepayments	4,879	1,488
	15,784	11,637

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 JUNE 2020

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	Year to Date
	30-Jun-20	30-Jun-20
	RM'000	RM'000
Earnings attributable to owners of the Company	<u>(7,602)</u>	<u>(7,602)</u>
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 exercise of Share Issuance Scheme ('000)	8,845	8,845
Adjustment for assumed number of ordinary shares issued and issuable ('000)	<u>283,091</u>	<u>283,091</u>
Earnings/(loss) per ordinary share (sen)		
Basic	(4.03)	(4.03)
Diluted	<u>(2.69)</u>	<u>(2.69)</u>

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 ("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. On 30 June 2020, the SPA became unconditional. The Group had recently sought for an extension of time to verify the net assets position of KVS as at 31 May 2020 and hence determine the final purchase consideration. The disposal will enable the Group to fully focus and redirect its resources in growing the construction business.

(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. Further to that, Bursa Securities had approved an extension of time up to 17 January 2021 to complete the implementation of the Private Placement.

(3) On 19 May 2020, the Company made an offer of options to eligible persons to subscribe for new shares in the Company under the Company's Employees' Share Issuance Scheme. The total number of options offered was 14,507,000 and the exercise period is within one year from the date of offer. As at the closing date for the acceptance of offer, the number of options accepted was 8,845,000, while the remaining balance of 5,662,000 was not taken up.

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 27 August 2020.