

VOIR

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 2017

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

	Quarter ended		Year to date ended	
	30-Sep-17	30-Sep-16	30-Sep-17	30-Sep-16
	RM'000	RM'000	RM'000	RM'000
Revenue	43,881	32,973	146,919	116,737
Operating expenses	(42,997)	(31,459)	(143,679)	(111,184)
Amortisation & depreciation	(781)	(1,402)	(3,403)	(4,126)
Impairment loss on receivables	0	0	0	(41)
Inventories written-off	0	0	(430)	(96)
Inventories written down	(290)	0	(777)	(447)
Foreign exchange (loss)/gain	0	0	(4)	(5)
Profit/(Loss) from operations	(187)	112	(1,374)	838
Other operating income	117	12	197	115
Profit/(Loss) before interest	(70)	124	(1,177)	953
Interest Expenses	(199)	(222)	(623)	(705)
Interest Income	0	0	30	0
Profit/(Loss) before taxation	(269)	(98)	(1,770)	248
Income tax expense	(24)	(18)	(188)	(220)
Profit/(Loss) for the period	(293)	(116)	(1,958)	28
Other comprehensive income	0	0	0	0
Total comprehensive income/(loss)	(293)	(116)	(1,958)	28
Total comprehensive income/(loss) attributable to:				
Owners of the Company	(310)	(33)	(1,924)	32
Non-controlling interests	17	(83)	(34)	(4)
	(293)	(116)	(1,958)	28

Earnings per share attributable to equity holders of the parent:

Basic (sen)	-0.21	-0.03	-1.33	0.03
Diluted (sen)	-0.15	N/A	-0.94	N/A

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 2016 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 2017

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30-Sep-17	As at 31-Dec-16
	RM'000	RM'000
	(Unaudited)	(Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	8,692	10,955
Investment properties	2,342	2,387
Intangible assets	375	431
Deferred tax assets	494	601
Other investments	17	17
	11,920	14,391
Current Assets		
Inventories	77,941	78,828
Trade receivables	16,892	21,634
Other receivables	20,096	14,367
Income tax assets	201	200
Cash and bank balances	1,760	5,055
	116,890	120,084
TOTAL ASSETS	128,810	134,475
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	74,022	66,000
Share premium	0	102
Retained earnings	21,512	23,436
	95,534	89,538
Non-controlling interests	(12)	22
Total Equity	95,522	89,560
Non Current Liabilities		
Long term borrowings	542	821
	542	821
Current Liabilities		
Trade payables	11,219	19,608
Other payables	5,051	6,890
Short term borrowings	16,476	16,996
Income tax liabilities	0	600
	32,746	44,094
Total Liabilities	33,288	44,915
TOTAL LIABILITIES AND EQUITY	128,810	134,475
Net Asset per share (in RM)	0.65	0.68

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 2016 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 2017

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to owners of the Company →					
	← Non-Distributable →			Distributable		
	Share Capital RM'000	Share Premium RM'000	Retained Earnings RM'000	Total RM'000	Non- controlling Interests RM'000	Total Equity RM'000
As At 1 January 2017	66,000	102	23,436	89,538	22	89,560
Issue during the year	7,920	0	0	7,920	0	7,920
Converted	102	-102	0	0	0	0
Total comprehensive income for the period	0	0	(1,924)	(1,924)	(34)	(1,958)
As At 30 September 2017	74,022	0	21,512	95,534	-12	95,522
As At 1 January 2016	66,000	102	22,761	88,863	77	88,940
Total comprehensive loss for the period	0	0	32	32	(4)	28
As At 30 September 2016	66,000	102	22,793	88,895	73	88,968

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 2016 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 2017

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	Year To Date Ended	
	30-Sep-17	30-Sep-16
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	(1,770)	248
Adjustments for:		
Amortisation & depreciation	3,403	4,126
Impairment loss on receivables	0	41
Interest expenses	623	705
Interest income	(30)	0
Gain on disposal of property, plant & equipment	(77)	(66)
Property, plant & equipment written off	1,826	401
Inventories written-off	430	96
Inventories written down	777	447
Operating profit before working capital changes	5,182	5,998
Changes in working capital:		
Decrease in inventories	(319)	8,158
Decrease in receivables	(5,065)	7,088
Decrease in payables	(6,153)	(12,884)
Cash generated from / (absorbed by) operations	(6,355)	8,360
Interest paid	(623)	(704)
Interest received	30	0
Income tax expense paid	(849)	(385)
Income tax refunded	168	0
Net cash from/(to) operating activities	(7,629)	7,271
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant & equipment	96	92
Purchase of property, plant & equipment	(2,883)	(3,109)
Net cash generated from/(used in) investing activities	(2,787)	(3,017)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of bank borrowings	(2,518)	(6,888)
Proceeds from issue of share capital	7,920	0
Net cash generated from/(used in) financing activities	5,402	(6,888)
Net changes in cash and cash equivalents	(5,014)	(2,634)
Cash and cash equivalents brought forward	4,344	7,464
Cash and cash equivalents carried forward	(670)	4,830

Cash and cash equivalents at the end of the financial period comprise of the following:

Cash and bank balances	1,760	5,015
Bank overdrafts	(2,430)	(185)
	(670)	4,830

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 2016 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 2017

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 2017 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 2016 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 2016, 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 2017.

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 2016 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 2017

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

A8. Segmental Reporting

The Group's business segmental information for the financial year 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-17</u>	<u>30-Sep-16</u>	<u>30-Sep-17</u>	<u>30-Sep-16</u>
	RM'000	RM'000	RM'000	RM'000
Apparels, footwear & accessories	131,678	115,716	405	1,096
Food, Beverage & Events	0	464	0	(7)
Beauty & Wellness	208	567	(259)	(335)
Constructions	15,033	0	586	0
Investment holdings and others	0	0	(2,502)	(505)
	146,919	116,747	(1,770)	249
Adjustments & Eliminations	0	(10)	0	(1)
Consolidated	<u>146,919</u>	<u>116,737</u>	<u>(1,770)</u>	<u>248</u>

A9. Valuation of Property, Plant and Equipment

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

A10. Material Events Subsequent To The End Of The Quarter

There was no material event subsequent to the end of the current quarter ended 30 September 2017 up to the date of this report, except for the construction division being awarded a contract amounting to RM80.0 Million (Note B3) on 20 November 2017 and the proposed corporate proposal being approved in the EGM held on 22 November 2017 (Note B10).

A11. Changes In The Composition of The Group

There were no changes in the composition of the Group during 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. Material Capital Commitments

There were no material capital commitments approved or contracted for as at 30 September 2017.

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INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017

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 2017

	Quarter ended		Changes RM'000	Year To Date Ended		Changes RM'000
	30-Sep-17 RM'000	30-Sep-16 RM'000		30-Sep-17 RM'000	30-Sep-16 RM'000	
Revenue	43,881	32,973	10,908	146,919	116,737	30,182
Profit/(Loss) from operations	(187)	112	(299)	(1,374)	838	(2,212)
Profit/(Loss) before interest	(70)	124	(194)	(1,177)	953	(2,130)
Profit/(Loss) before taxation	(269)	(98)	(171)	(1,770)	248	(2,018)
Profit/(Loss) for the period	(293)	(116)	(177)	(1,958)	28	(1,986)
Comprehensive income/(loss) attributable to equity holders of the parent	(310)	(33)	(277)	(1,924)	32	(1,956)

The Group's revenue increased by 33.1% and 25.9% for the current quarter and year-to-date 9 months period ended 30 September 2017 respectively compared with the preceeding year. The increase in revenue is mainly due to the construction segment had contributed RM 6.2 million for the current quarter and RM 15.0 million for 9 months period ended 30 September 2017. Besides that, the apparel, footwear & accessories segment had implemented the adoption of lower price strategy increasing the volume and gain market shares.

However the Group suffered loss before taxation ("LBT") of RM0.27 million and RM1.77 million as compared to LBT of RM0.10 million in the corresponding quarter and profit before tax ("PBT") of RM0.25 million year-to-date in year 2016. The LBT recorded was mainly due to the expenses that was incurred for the proposed corporate exercise that held during this year. The corporate proposals fees incurred had offsetted the profits earned from the Apparel, footwear & accessories segment and construction segment.

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

	Current Quarter	Immediate Preceding Quarter	Change RM'000
	30-Sep-17 RM'000	30-Jun-17 RM'000	
Revenue	43,881	54,754	(10,873)
Profit/(Loss) from operations	(187)	(1,171)	984
Profit/(Loss) before interest	(70)	(1,144)	1,074
Profit/(Loss) before taxation	(269)	(1,347)	1,078
Profit/(Loss) for the period	(293)	(1,201)	908
Comprehensive income/(loss) attributable to equity holders of the parent	(310)	(1,229)	919

The Group recorded a revenue of RM43.88 million in the current quarter representing a decrease of 19.9% as compared with RM54.75 million in the preceding quarter. This is mainly due to the absence of festival season and did not coincide with school holidays promotion for the current quarter.

Despite the Group's revenue decreased by RM10.87 million, the Group's profit performance had shown an increase of RM1.08 million of profit before taxation compare to immediate preceding quarter, 30 June 2017. The increase is mainly due to additional profit being gained from apparel, footwear & accessories segment and constructions segment for the current quarter.

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

B3. Group's Prospects For Financial Year Ending 31 December 2017

The Group's fashion retail business may continue to face stiffer competition and softer market sentiment in the year 2017. The higher cost of operation as a result of weakened local currency exchange rates, higher wage rates, lower profit margin as a result of price competition amongst market players is expect to result in the business facing greater challenges ahead.

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

The Board expects that the on-going construction of the Program Perumahan Rakyat (PPR) Kota Setar to contribute positively to the Group's turnover and profitability in the current financial year.

Million Twilight Sdn Bhd, a wholly owned subsidiary has accepted a sub-contract of reinforced concrete and mechanical works amounting to RM80 million on back-to-back basis to the main contract. Construction period shall be 35 months commencing from 20 November 2017 to 19 October 2020.

The Group will continuously pursue new construction works in the near term and identify other viable business opportunities over the medium to long term in order to improve returns to the Shareholders.

The Group will continue to be cautious and will adopt necessary action plan to ensure a sustainable growth in 2017.

B4. Variance Of Profit Forecast

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

B5. Income Tax Expense

The breakdown of income tax expense is as follows:-

	Current Quarter	Year to Date
	30-Sep-17	30-Sep-17
	RM'000	RM'000
Current year tax expense	(122)	45
Under/(over) provision in prior year	15	36
Deferred tax expenses/(reversal)	131	107
	<u>24</u>	<u>188</u>

The Group's taxation arisen from different income sources even made a loss, the effective tax rate is higher than the statutory income tax rate. This was mainly due to profits of certain companies which for income tax purposes cannot be set-off against losses incurred by other companies, permanent tax losses and certain expenses which were disallowed for taxation purposes during the financial period 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

B6. Status of Corporate Proposals Announced

During the current quarter, the status of utilisation of proceeds raised from 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	5,070	5,070	12 months	-	-	
(ii) Working capital	2,500	1,964	12 months	536	21%	Note 1
(iii) Expenses to private placement	350	243	12 months	107	31%	Note 1

Note 1: The corporate proposals was completed on 25 April 2017. It has a timeframe for utilisation until 24 April 2018.

B7. Group Borrowings and Debt Securities

The Group's borrowings are as follows:-

	Quarter ended 30-Sep-2017			Quarter ended 30-Sep-2016		
	Secured Debt RM'000	Unsecured Debt RM'000	Total RM'000	Secured Debt RM'000	Unsecured Debt RM'000	Total RM'000
<u>Short-term borrowings</u>						
Term loan	118	102	220	108	340	448
Bill payable	4,003	9,719	13,722	4,567	11,546	16,113
Bank overdrafts	1,842	588	2,430	0	185	185
Finance lease liabilities	0	104	104	0	111	111
	<u>5,963</u>	<u>10,513</u>	<u>16,476</u>	<u>4,675</u>	<u>12,182</u>	<u>16,857</u>
<u>Long-term borrowings</u>						
Term loan	342	105	447	470	204	674
Finance lease liabilities	0	95	95	0	113	113
	<u>342</u>	<u>200</u>	<u>542</u>	<u>470</u>	<u>317</u>	<u>787</u>

The Group does not have any foreign currency borrowings as at 30 September 2017 and 30 September 2016. All borrowings indicated above are denominated in Ringgit Malaysia.

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

B10. Corporate Proposals

At the Extraordinary General Meeting ("EGM") held on 22 November 2017, the shareholders have approved the multiple proposals as set out in the Notice of EGM dated 22 November 2017 by way of poll. The multiple proposals include the following:

- (1) Proposed Share Subscription in Consortium Zenith Construction Sdn Bhd
- (2) Proposed Disposal in Applemints Apparels Sdn Bhd
- (3) Proposed Diversification of the Principle Activities of Voir Holding Berhad
- (4) Proposed Change of Name from "Voir Holdings Berhad" to "Vertice Berhad"
- (5) Proposed Shares Issuance Scheme (SIS)

The Group believes the Proposed Share Subscription and Proposed Diversification will pave the way to enhance the Group's future prospects and provide additional income stream depending on the number of construction contracts successfully secured via its wholly owned subsidiary, Million Twilight Sdn Bhd and the dividend to be received from Consortium Zenith based on its equity interest in Consortium Zenith, as part of the Group's plan to move forward in light of the challenging prospects of its existing fashion retailing business.

B11. Earnings/(Loss) Per Share ("EPS/(LPS)")

Basic EPS/LPS

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

	Current Quarter	Year to Date
	30-Sep-17	30-Sep-17
	RM'000	RM'000
Earnings/(Loss) attributable to owners of the Company	<u>(310)</u>	<u>(1,924)</u>
Weighted average number of ordinary shares ('000)	145,200	145,200
Adjustment for assumed exercise of warrants ('000)	60,000	60,000
Adjustment weighted average number of ordinary shares issued and issuable ('000)	<u>205,200</u>	<u>205,200</u>
Earnings/(loss) per ordinary share (sen)		
Basic	(0.21)	(1.33)
Diluted	<u>(0.15)</u>	<u>(0.94)</u>

The fully diluted earnings/(loss) per ordinary share of the Group for the corresponding quarters in 2016 are not applicable and presented as the warrants would be anti-dilutive as the exercise price is higher than the fair value of the Company's shares.

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

B12. Realised and Unrealised Retained Earnings

The breakdown of the retained earnings of the Group as at 30 September 2017, into realised and unrealised is as follows:

	As at 30-Sep-17	As at 31-Dec-16
	RM'000	RM'000 (restated)
Total retained earnings of the Group:		
Realised	54,999	53,187
Unrealised	494	601
	<hr/>	<hr/>
	55,493	53,788
Consolidation adjustments	<u>(34,073)</u>	<u>(30,352)</u>
	<hr/> <hr/>	<hr/> <hr/>
	21,420	23,436