

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

**INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2022**

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

	Unaudited Quarter ended		Change %	Unaudited Year to date ended		Change %
	30-Jun-22 RM'000	30-Jun-21 RM'000		30-Jun-22 RM'000	30-Jun-21 RM'000	
Revenue	2,933	2,078	41%	2,933	2,078	41%
Cost of sales	(2,356)	(1,848)	27%	(2,356)	(1,848)	27%
<b>Gross profit</b>	<b>577</b>	<b>230</b>	<b>151%</b>	<b>577</b>	<b>230</b>	<b>151%</b>
Administrative expenses	(1,257)	(1,364)	-8%	(1,257)	(1,364)	-8%
Net allowance for expected credit losses	-	58	-100%	-	58	-100%
Other operating income	61	60	2%	61	60	2%
Other operating loss	(654)	-		(654)	-	
<b>Profit/(Loss) from operations</b>	<b>(1,273)</b>	<b>(1,016)</b>	<b>25%</b>	<b>(1,273)</b>	<b>(1,016)</b>	<b>25%</b>
Finance income	2	73	-97%	2	73	-97%
Finance cost	(32)	(20)	60%	(32)	(20)	60%
Net finance (cost)/income	(30)	53	-157%	(30)	53	-157%
Share of result of associate	-	(1,445)		-	(1,445)	
<b>Profit/(Loss) before taxation</b>	<b>(1,303)</b>	<b>(2,408)</b>	<b>-46%</b>	<b>(1,303)</b>	<b>(2,408)</b>	<b>-46%</b>
Income tax reversal / (expense)	-	-		-	-	
<b>Profit/(Loss) after taxation</b>	<b>(1,303)</b>	<b>(2,408)</b>	<b>-46%</b>	<b>(1,303)</b>	<b>(2,408)</b>	<b>-46%</b>
<b>Other comprehensive income</b>						
Fair value gain/(loss) on equity investments designated at fair value through other comprehensive income	-	-		-	-	
<b>Total comprehensive income/(loss)</b>	<b>(1,303)</b>	<b>(2,408)</b>	<b>-46%</b>	<b>(1,303)</b>	<b>(2,408)</b>	<b>-46%</b>
<b>Net profit/(loss) attributable to:</b>						
Owners of the Company	(1,488)	(2,333)		(1,488)	(2,333)	
Non-controlling interests	185	(75)		185	(75)	
	<b>(1,303)</b>	<b>(2,408)</b>		<b>(1,303)</b>	<b>(2,408)</b>	
<b>Total comprehensive income/(loss) attributable to:</b>						
Owners of the Company	(1,488)	(2,333)		(1,488)	(2,333)	
Non-controlling interests	185	(75)		185	(75)	
	<b>(1,303)</b>	<b>(2,408)</b>		<b>(1,303)</b>	<b>(2,408)</b>	
<b>Earning/(Loss) per share attributable to equity holders of the parent:</b>						
Basic (sen)	(0.47)	(0.88)		(0.47)	(0.88)	
Diluted (sen)	N/A	N/A		N/A	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 March 2022 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 2022**

	<b>Note</b>	<b>As at 30-Jun-22 RM'000 (Unaudited)</b>	<b>As at 31-Mar-22 RM'000 (Audited)</b>
<b>Non-Current Assets</b>			
Plant and equipment		961	792
Right of use assets		3,142	3,390
Other investments		5,508	14,508
Goodwill		2,696	3,350
Deferred tax assets		161	161
Trade receivables	B7 (i)	9,737	9,493
		<b>22,205</b>	<b>31,694</b>
<b>Current Assets</b>			
Contract assets		20,260	20,447
Inventories		13,825	13,146
Trade receivables	B7 (i)	16,911	15,972
Other receivables, deposits and prepayments	B7 (ii)	18,847	11,254
Tax recoverable		1,735	1,365
Fixed deposits with a licensed bank		105	90
Cash and bank balances		1,613	5,858
		<b>73,296</b>	<b>68,132</b>
<b>TOTAL ASSETS</b>		<b>95,501</b>	<b>99,826</b>
<b>EQUITY</b>			
Share capital		139,809	139,809
Share options reserve		-	-
Fair value reserves		(4,352)	(4,352)
Accumulated losses		(69,611)	(68,123)
<b>Equity attributable to owners of the Company</b>		<b>65,846</b>	<b>67,334</b>
Non-controlling interests		3,346	3,161
<b>Total Equity</b>		<b>69,192</b>	<b>70,495</b>
<b>Non Current Liabilities</b>			
Hire purchase liabilities	B6	907	1,114
Other lease liabilities		1,408	1,475
Deferred tax liability		-	-
Trade payables		1,365	1,109
		<b>3,680</b>	<b>3,698</b>
<b>Current Liabilities</b>			
Contract liabilities		-	-
Trade payables		3,765	7,901
Other payables and accruals		16,948	16,822
Hire purchase liabilities	B6	503	525
Bank overdraft		755	-
Other lease liabilities		300	276
Tax payable		358	109
		<b>22,629</b>	<b>25,633</b>
<b>Total Liabilities</b>		<b>26,309</b>	<b>29,331</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>95,501</b>	<b>99,826</b>
<b>Net Asset per share (in RM)</b>		<b>0.21</b>	<b>0.21</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 2022 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 2022**  
**( THE FIGURES HAVE NOT BEEN AUDITED)**

	← Attributable to owners of the Company →						Non- controlling Interests RM'000	Total Equity RM'000
	← Non-Distributable Share Options Reserve RM'000 →			Distributable		Total RM'000		
	Share Capital RM'000		Fair Value Reserve RM'000	Retained Earnings RM'000				
<b>As At 1 April 2022</b>	139,809	-	(4,352)	(68,123)	67,334	3,161	<b>70,495</b>	
Share options scheme expired	-	-	-	-	-	-	-	
Changes in fair value of equity investments measured at fair value through other comprehensive income	-	-	-	-	-	-	-	
Shares issued during the period								
- Private placement	-	-	-	-	-	-	-	
- Share issuance scheme	-	-	-	-	-	-	-	
- Conversion of redeemable convertible preference shares	-	-	-	-	-	-	-	
Additional contribution by non-controlling interest	-	-	-	-	-	-	-	
Disposal of asset held for sale	-	-	-	-	-	-	-	
Total comprehensive loss for the period	-	-	-	(1,488)	(1,488)	185	<b>(1,303)</b>	
<b>As At 30 June 2022</b>	<b>139,809</b>	<b>-</b>	<b>(4,352)</b>	<b>(69,611)</b>	<b>65,846</b>	<b>3,346</b>	<b>69,192</b>	
<b>As At 1 April 2021</b>	128,143	455	-	(32,743)	95,855	4,232	<b>100,087</b>	
Share options scheme expired	-	(455)	-	455	-	-	-	
Shares issued during the period								
- Private Placement	-	-	-	-	-	-	-	
- Share issuance scheme	-	-	-	-	-	-	-	
- Conversion of redeemable convertible preference shares	-	-	-	-	-	-	-	
Disposal of asset held for sale	-	-	-	-	-	-	-	
Total comprehensive loss for the period	-	-	-	(2,333)	(2,333)	(75)	<b>(2,408)</b>	
<b>As At 30 June 2021</b>	<b>128,143</b>	<b>-</b>	<b>-</b>	<b>(34,621)</b>	<b>93,522</b>	<b>4,157</b>	<b>97,679</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 2022 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 JUNE 2022**

	<b>Unaudited 30-Jun-22</b>	<b>Unaudited 30-Jun-21</b>
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax	(1,303)	(2,408)
Adjustments for:		
Allowance for expected credit losses	-	-
Amortisation & depreciation	232	226
Bad debt written off	-	-
Impairment loss/(reversal)	-	-
Impairment for goodwill on consolidation	654	-
Finance income	-	(65)
Interest income	(2)	(8)
Interest expenses	32	20
Gain on disposal of property, plant & equipment	(56)	-
Share of results of associate	-	1,445
<b>Operating loss before working capital changes</b>	<b>(443)</b>	<b>(790)</b>
Changes in contract assets/liabilities - net	186	(187)
Decrease in trade and other receivables	223	1,254
Decrease in trade and other payables	(3,792)	(1,410)
Increase in inventories	(678)	-
<b>Cash used in operations</b>	<b>(4,504)</b>	<b>(1,133)</b>
Income tax paid	(54)	(102)
Income tax refunded	-	176
<b>Net cash used in operating activities</b>	<b>(4,558)</b>	<b>(1,059)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of plant & equipment	(245)	-
Acquisition of right of use assets	-	-
Net cash outflow from acquisition of subsidiaries	-	-
Proceeds from disposal of plant & equipment	148	-
Increase in fixed deposits pledged	(15)	(15)
Interest received	2	73
<b>Net cash (used in)/from investing activities</b>	<b>(110)</b>	<b>58</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(32)	(20)
Repayment of lease liabilities	(300)	(115)
Proceeds from issuance of ordinary shares - net	-	-
Proceeds from private placement	-	-
<b>Net cash from /(used in) financing activities</b>	<b>(332)</b>	<b>(135)</b>
<b>Net changes in cash and cash equivalents</b>	<b>(5,000)</b>	<b>(1,136)</b>
<b>Cash and cash equivalents brought forward</b>	<b>5,858</b>	<b>6,405</b>
<b>Cash and cash equivalents carried forward</b>	<b>858</b>	<b>5,269</b>
<b>Cash and cash equivalents comprise:</b>		
Fixed deposits	105	45
Cash and bank balances	1,613	5,269
Bank overdrafts	(755)	-
	<b>963</b>	<b>5,314</b>
Less: Deposits pledged	(105)	(45)
	<b>858</b>	<b>5,269</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 2022 and the accompanying explanatory notes attached to the interim consolidated Financial Statements.

**INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2022**

**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 2022 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 2022 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 2022, 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 2022 was not subject to any qualification.

**A3. Seasonal Or Cyclical Factors**

The construction and property development business of the Group are not affected by any seasonal or cyclical factors.

**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 JUNE 2022**

**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.

	<b>Revenue</b>		<b>Profit/(Loss) before tax</b>	
	<b>Year To Date Ended</b>		<b>Year To Date Ended</b>	
	<b>30-Jun-22</b>	<b>30-Jun-21</b>	<b>30-Jun-22</b>	<b>30-Jun-21</b>
	RM'000	RM'000	RM'000	RM'000
Constructions	1,821	2,078	(311)	(102)
Development property	1,096	-	41	-
Investment holdings and others	16	-	(1,033)	(2,306)
	<b><u>2,933</u></b>	<b><u>2,078</u></b>	<b><u>(1,303)</u></b>	<b><u>(2,408)</u></b>

**A9. Valuation of Property, Plant and Equipment**

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

**A10. Changes In The Composition of The Group**

There were no material changes to the composition of the Group for the current quarter under review except for the incorporation of 1 new subsidiary as follows:

(1) Wande Development (Sabah) Sdn Bhd was incorporated on 26 April 2022 as a 100% owned subsidiary of Vertice Berhad.

**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 June 2022.

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

**INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2022**

**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 2022**

	Quarter ended		Changes RM'000	Year To Date Ended		Changes RM'000
	30-Jun-22 RM'000	30-Jun-21 RM'000		30-Jun-22 RM'000	30-Jun-21 RM'000	
Revenue	2,933	2,078	855	2,933	2,078	855
Profit/(Loss) before taxation	(1,303)	(2,408)	1,105	(1,303)	(2,408)	1,105
Profit/(Loss) after taxation	(1,303)	(2,408)	1,105	(1,303)	(2,408)	1,105
Net loss attributable to equity holders of the parent	(1,488)	(2,333)	845	(1,488)	(2,333)	845

**Construction and Development Property**

The construction and development property business recorded a combined turnover of RM2.9 million in the current quarter which was higher than the preceding year corresponding quarter of RM2.1 million which came only from construction business. From the current RM2.9 million, construction revenue was RM1.8 million which are all new projects which had commenced activities in the past 6 months whereas the previous RM2.1 million came from past projects which included the Penang Mega Infrastructure project. Development property revenue recognised was RM1.1 million in the current quarter which marks its first time addition to Group revenue.

Loss before tax was recorded at RM1.3 million in the current quarter compared to RM2.4 million in the preceding year corresponding quarter mainly due to the fact that the Group no longer needs to share losses from associate company whereas such share of losses was RM1.4 million previously.

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

	Current Quarter	Immediate Preceding Quarter	Change	
	30-Jun-22 RM'000	31-Mar-22 RM'000	RM'000	%
Revenue	2,933	(79)	3,012	-3813%
Profit/(Loss) from operations	(1,273)	(30,537)	29,264	-96%
Profit/(Loss) before taxation	(1,303)	(28,735)	27,432	-95%
Profit/(Loss) after taxation	(1,303)	(29,003)	27,700	-96%
Net loss attributable to equity holders of the parent	(1,488)	(28,935)	27,447	-95%

**Construction and Development Property**

The Group recorded combined revenue from construction and development property business of RM2.9 million in the current quarter, representing an increase of RM3.0 million over the immediate preceding quarter which accounted only for construction revenue as there had been a downward adjustment in revenue recognised of RM4.2 million for the Light Rail Transit Line 3 project in the immediate preceding quarter. The downward adjustment came about due to the mutual termination of the project and final lower billings.

The loss before tax in current quarter of RM1.3 million was lower as compared to immediate preceding quarter of RM28.7 million mainly due to impairment losses amounting to RM24.9 million as well as a downward adjustment in revenue recognised for the Light Rail Transit Line 3 project of RM4.2 million in the immediate preceding quarter. Such impairment losses arise from receivables and the investment in Kumpulan Voir Sdn Bhd.

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**INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2022**

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

**B3. Group's Prospects**

The Group's outstanding order book stands at approximately RM90.10 million comprising both construction and property development projects.

The Group's property development arm is parked under its wholly owned subsidiary, Wande Development Sdn Bhd ("Wande") which holds 55% stake in Greenview Pavilion Sdn Bhd ("Greenview") whose principal activities are property development and property investment holdings. The Group intends to grow this sector targeting markets in Penang and Klang Valley. Greenview's current maiden project is located in Penang with an estimated Gross Development value of RM48.46 million. As for markets in East Malaysia, the Group will be mobilising its plans under the newly incorporated wholly owned subsidiary during the current quarter, Wande Development (Sabah) Sdn Bhd.

With the above set up, the Group has now positioned itself into 2 main sectors, namely construction and property development to boost its future earnings. We remain cautiously optimistic of our future performance with the expected gradual recovery in the overall economic climate while continuing to replenish and beef up our order books.

**B4. Variance Of Profit Forecast**

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

**B5. Income Tax Expense**

The breakdown of income tax expense is as follows:-

	<b>Current Quarter 30-Jun-22 RM'000</b>	<b>Year to Date 30-Jun-22 RM'000</b>
Current year tax expense	-	-
Under/(over) provision in prior year	-	-
Deferred tax expenses/(reversal)	-	-
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**INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2022**

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

**B6. Group Borrowings and Debt Securities**

The Group's borrowings are as follows:-

	Quarter ended 30-June-2022			Quarter ended 30-June-2021		
	Secured Debt	Unsecured Debt	Total	Secured Debt	Unsecured Debt	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Short-term borrowings</u>						
Hire purchase creditors	503	-	503	295	-	295
Bridging loan	-	-	-	-	-	-
Bank overdrafts	-	-	-	-	-	-
	<u>503</u>	<u>-</u>	<u>503</u>	<u>295</u>	<u>-</u>	<u>295</u>
<u>Long-term borrowings</u>						
Hire purchase creditors	907	-	907	1,468	-	1,468
	<u>907</u>	<u>-</u>	<u>907</u>	<u>1,468</u>	<u>-</u>	<u>1,468</u>

The Group does not have any foreign currency borrowings as at 30 June 2022. 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-22 RM'000	As at 31-Mar-22 RM'000
<u>(i) Trade receivables</u>		
Retention sum for contract works	5,140	11,573
Trade receivables	37,493	29,847
	42,633	41,420
Less : Allowance for lifetime expected credit losses	(15,985)	(15,955)
	26,648	25,465
Less : Portion due within one year	(16,911)	(15,972)
Non current portion	9,737	9,493
<u>(ii) Other receivables, deposits and prepayments</u>		
Amount due from a sub-contractor	3,124	3,124
Less: Allowance for lifetime expected credit losses	(3,124)	(3,124)
	-	-
Amount due from an associate	-	-
Deposits	593	697
Advance payments for construction costs	8,000	8,000
Refundable security deposit for construction contract	3,000	1,500
Less: Allowance for expected credit losses	(1,276)	(1,276)
	9,724	8,224
Other receivables	8,548	2,370
Less: Allowance for expected credit losses	(254)	(254)
	8,294	2,116
Prepayments	236	217
	18,847	11,254

**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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(Company No. 200701007217 / 765218-V)

**INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2022**

**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.

	<b>Current Quarter 30-Jun-22</b>	<b>Year to Date 30-Jun-22</b>
	RM'000	RM'000
Earnings attributable to owners of the Company	<u>(1,488)</u>	<u>(1,488)</u>
Number of ordinary shares ('000)	319,180	319,180
Adjustment for assumed exercise of warrants ('000)	-	-
Adjustment for assumed exercise of Share Issuance Scheme ('000)	-	-
Adjustment for number of ordinary shares from issuance of RCPS ('000)	-	-
Adjustment for assumed exercise of Proposed Private Placement ('000)	-	-
Adjustment for assumed number of ordinary shares issued and issuable ('000)	<u>319,180</u>	<u>319,180</u>
Earnings/(loss) per ordinary share (sen)		
Basic	(0.47)	(0.47)
Diluted	<u>N/A</u>	<u>N/A</u>

**B11. Significant Event Subsequent to Reporting Year**

There was no significant event subsequent to this reporting period.

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**INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2022**

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

**B12. Status of Corporate Proposal Announced**

(1) On 30 September 2020, the Company entered into a subscription agreement with the RCPS Subscribers in relation to the Proposed Issuance of RCPS totalling an aggregate principal amount of up to RM60.0 million to undertake the following:-

(i) proposed Issuance of up to 600,000,000 new 2% cumulative redeemable convertible preference shares in Vertice ("RCPS") at an issue price of RM0.10 each ("RCPS Issue Price") to Advance Opportunities Fund ("AOF") and Advance Opportunities Fund I ("AOF I") (collectively, AOF and AOF I are referred to as the "RCPS Subscribers") ("Proposed Issuance of RCPS"); and

(ii) proposed amendments to the Constitution of the Company to facilitate the implementation of the Proposed Issuance of RCPS ("Proposed Amendments")

The proposed Issuance of RCPS and Proposed Amendments were approved by shareholders at the Extraordinary General Meeting on 11 December 2020. As at 24 December 2020, a total principal amount of RM4,000,000 had been subscribed and such RCPS had been fully converted into 21,893,814 number of ordinary shares. As at 20 January 2021, another total principal amount of RM6,000,000 had been subscribed and such RCPS had been fully converted into 33,453,305 number of ordinary shares.

The status of utilisation of the proceeds raised from the Proposed Issuance of RCPS 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) Funding for construction business segment	7,633	7,633	Within 3 years	-	-	-
(ii) Working Capital	1,043	1,043	Within 1 year	-	-	-
(iii) Estimated expenses relating to the proposals	1,324	1,324	Within 3 years	-	-	-
<b>Total</b>	<b>10,000</b>	<b>10,000</b>		<b>-</b>		

(2) On 5 November 2021, the Company proposed and resolved to undertake a private placement up to a maximum of 53,196,600 placement shares which represents approximately 20% of the total number of 265,983,119 issued shares. Based on the General Mandate obtained from shareholders at the last AGM on 28 September 2021, the Company is authorised to allot and issue new shares not exceeding 20% of the issued share capital of the Company. This Mandate may be utilised until 31 December 2021 and thereafter, the 10% limit will be reinstated. Further to that, Bursa Securities had on 11 November 2021 approved the listing and quotation of up to 53,196,600 placement shares to be issued pursuant to the private placement. On 30 December 2021, the private placement was completed following the listing and quotation of 53,196,600 placement shares on the Main Market of Bursa Securities and the Company has raised a total of RM11,820,285 from the private placement.

During the quarter, the status of utilisation of the proceeds raised from the private placement 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	3,904	3,904	Within 6 months	-	-	Note 1
(ii) Property development expenditure	6,184	6,184	Within 6 months	-	-	Note 1
(iii) Working capital	1,577	1,577	Within 3 months	-	-	
(iv) Expenses for the private placement	155	155	Immediate	-	-	
<b>Total</b>	<b>11,820</b>	<b>11,820</b>		<b>-</b>		

Note 1 : The proceeds allocated for construction project and property development expenditure has been fully utilised during the current quarter.

(3) On 20 April 2022, the Company entered into a Share Sale Agreement ("SSA") with Distinct Seasons Sdn Bhd ("DSSB") for the proposed disposal of 40% equity interest in Kumpulan Voir Sdn Bhd ("KVS") for a total cash consideration of RM9.0 million. The proposed disposal entails the Company disposing off its remaining 40% equity interest in KVS to DSSB. Based on the SSA, the completion date for the proposed disposal refers to date of First Payment being made, which was upon the execution of the SSA.

On 21 April 2022, DSSB made the First Payment in accordance with the SSA amounting to RM1.0 million. The balance payment of RM8.0 million shall be recovered by way of ten equal monthly instalments of RM800,000 each commencing from 1 June 2022 to 31 March 2023 or such other extension as may be mutually agreed by the parties. The proposed disposal was completed on 16 August 2022 as the share transfer documents had been fully executed.

**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 25 August 2022.