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If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

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VERTICE BERHAD

(Company No.: 200701007217 / 765218-V)
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE

**SHARE BUY-BACK STATEMENT FOR THE PROPOSED RENEWAL OF SHARE BUY-BACK
AUTHORITY**

The resolution in respect of the above proposal will be tabled at the Fourteenth Annual General Meeting (“14th AGM”) of Vertice Berhad (“Vertice”) to be conducted through live streaming and online remote participation using Remote Participation and Voting (“RPV”) Facilities as a fully virtual general meeting to be held virtually at the Broadcast Venue of 1505-1506, Level 15, Tower 2, Faber Tower, Jalan Desa Bahagia, Taman Desa, 58100 Kuala Lumpur on Tuesday, 28 September 2021 at 10.30 a.m.

The broadcast venue is strictly for the purpose of complying with Section 327(2) of the Companies Act, 2016 which requires the Chairperson of the meeting to be present at the main venue of the meeting. Members and proxies WILL NOT BE ALLOWED to attend the 14th AGM in person at the broadcast venue on the day of the meeting. Members are advised to read and follow the procedures provided in the Administrative Guide for the 14th AGM in order to participate remotely via RPV in the 14th AGM.

The Notice of the 14th AGM together with the Form of Proxy are enclosed in Vertice’s 2021 Annual Report. If you decide to appoint a proxy to attend and vote on your behalf at the meeting, the Form of Proxy must be deposited as follows not later than forty-eight (48) hours before the time set for holding the meeting:-

(a) Deposit Hard Copy of Proxy Form

Share Registrar’s office, ShareWorks Sdn Bhd at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan

(b) Deposit of Proxy Form Electronically

Share Registrar’s email at ir@shareworks.com.my

The lodging of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

Last day and time for lodging the Form of Proxy: 26 September 2021 at 10.30 a.m.

This Circular is dated 30 August 2021

DEFINITIONS

In this Circular and the accompanying appendices, the following abbreviations shall have the following meanings unless otherwise stated:

“Act”	: Companies Act, 2016, including any amendments made thereto from time to time and any re-enactment thereof
“AGM”	: Annual General Meeting
“2021 Annual Report ”	: Annual Report of the Company for the financial year ended 31 March 2021
“Board”	: The Board of Directors of Vertice
“BMSB”	: Buildmarque Construction Sdn. Bhd. (201801029055/1291081-X)
“Bursa Securities”	: Bursa Malaysia Securities Berhad (200301033577 / 635998-W)
“Circular”	: This Circular dated 30 August 2021
“Code”	: The Malaysian Code on Take-Overs and Mergers, 2010 and any statutory modification or amendments thereto from time to time
“Director(s)”	: Shall have the meaning given in Section 2 of the Act and Section 2(1) of the Capital Markets and Services Act 2007
“EPS”	: Earnings per Share
“Listing Requirements”	: The Main Market Listing Requirements of Bursa Securities and any amendment made thereto from time to time and any Practice Notes issued in relation thereto
“LPD”	: 30 July 2021, being the latest practicable date prior to the printing of this Circular
“Major Shareholder(s)”	: A person who has an interest or interests in one (1) or more voting shares in a company and the number or aggregate number of those shares, is: 10% or more of the total number of voting shares in the company; or 5% or more of the total number of voting shares in the company where such person is the largest shareholder of the company For the purposes of this definition, “interest in shares” shall have the meaning given in Section 8 of the Act
“NA”	: Net assets

“Person(s) Connected”	: In relation to a Director or Major Shareholder who falls under any one of the following categories:
	<ul style="list-style-type: none"> (i) a family member of the Director or Major Shareholder. Family in relation to a person means such person who falls within any one of the following categories: <ul style="list-style-type: none"> (a) spouse; (b) parent; (c) child including an adopted child and step-child; (d) brother or sister; and (e) spouse of the person referred to in subparagraphs (c) and (d) above. (ii) a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the Director or Major Shareholder, or a family member of the Director or Major Shareholder, is the sole beneficiary; (iii) a partner of the Director or Major Shareholder, or a partner of a person connected with that Director or Major Shareholder; (iv) a person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director or Major Shareholder; (v) a person in accordance with whose directions, instructions or wishes the Director or Major Shareholder is accustomed or is under an obligation, whether formal or informal, to act; (vi) a body corporate or its Directors which/who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director or Major Shareholder; (vii) a body corporate or its Directors whose directions, instructions or wishes the Director or Major Shareholder is accustomed or under an obligation, whether formal or informal, to act; (viii) a body corporate in which the Director or Major Shareholder, or persons connected with him are entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate; or (ix) a body corporate which is a related corporation of the Director or Major Shareholder
“Prevailing Laws”	: Prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities
“Proposed Renewal of Share Buy-Back Authority”	: Proposed renewal of authority granted to the Company to purchase up to ten percent (10%) of its total number of issued shares.
“Proposed Share Buy-Back Authority”	: Proposed purchase by the Company of up to ten percent (10%) of its total number of issued shares
“Proposed Share Buy-Back”	: Proposed purchase by the Company of up to ten percent (10%) of its total number of issued shares
“Purchased Share(s)”	: Shares purchased by the Company pursuant to the Proposed Share Buy-Back
“RM”	: Ringgit Malaysia.

“Subsidiaries”	: Includes BMSB, VCSB, VGESB and VISB
“VCSB”	: Vertice Construction Sdn. Bhd. (201501011777/1137112-M)
“Vertice” or “the Company”	: Vertice Berhad (200701007217 / 765218-V)
“Vertice Group” or “Group”	: Vertice and its Subsidiaries
“Vertice Share(s)” or “Share(s)”	: Ordinary shares in Vertice
“VGESB”	: Vertice Green Energy Sdn. Bhd. (Formerly Known As Vertice Supplies Sdn. Bhd.) (201501011771/1137106-D)
“VISB”	: Vertice Infrastructure Sdn. Bhd. (201801013023/1275039-T)
“WAMP”	: Weighted average market price
“Warrants”	: 60,000,000 outstanding warrants 2014/2024 issued by Vertice as at the LPD governed by the deed poll dated 11 March 2014

All references to “our Company” or “Vertice” in this Circular are to Vertice Berhad and references to “our Group” are to our Company and our subsidiaries. References to “we”, “us”, “our” and “ourselves” are to our Company and, where the context otherwise requires, our subsidiaries.

All references to “you” in this Circular are to the shareholders of our Company.

Words denoting the singular shall, where applicable, include the plural and vice versa, and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders, and vice versa. References to persons shall include corporations.

Any discrepancies in the tables included in this Circular between the amounts listed, actual figures and the totals thereof are due to rounding.

Any reference to a time of day and date in this Circular is a reference to Malaysian time and date, respectively.

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VERTICE BERHAD
(Company No.: 200701007217 / 765218-V)
(Incorporated in Malaysia)

Registered Office:
B-3-9, 3rd Floor, Block B
Megan Avenue II
No. 12, Jalan Yap Kwan Seng
50450 Kuala Lumpur

30 August 2021

Board of Directors:

Tun Arifin Bin Zakaria (Chairman)
Dato' Mah Siew Kwok
Dato' Dr. Azirul Salihin Bin Anuar
Mr. Wong Kwai Wah
Mr. Ibrahim Bin Sahari
Mr. Yee Yit Yang
Mr. Mohd Hatim Bin Abdullah
Mr. Ham Hon Kit

To: Our Shareholders

Dear Sir/Madam

SHARE BUY-BACK STATEMENT FOR THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

1. INTRODUCTION

On 29 September 2020, Vertice obtained a shareholders' mandate for the Proposed Share Buy-Back Authority at the Thirteenth AGM. The said mandate shall expire at the conclusion of the forthcoming AGM unless it is renewed at the said AGM.

On 5 August 2021, the Board of Vertice announced that Vertice proposes to seek shareholders' approval on the Proposed Renewal of Share Buy-Back Authority at the forthcoming AGM.

The purpose of this circular is to set out details of and information relating to the Proposed Renewal of Share Buy-Back Authority, your board's recommendation thereon, and to seek your approval on the ordinary resolution pertaining to the Proposed Renewal of Share Buy-Back Authority to be tabled at the forthcoming AGM of the company.

YOU ARE ADVISED TO READ THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY TO BE TABLED AT THE FORTHCOMING AGM.

2. DETAILS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The Board proposes to seek your approval a renewal of the authority to purchase up to 10% of its total number of issued shares at any point in time, subject to the provisions of the Act, the Listing Requirements, the Code and the Prevailing Laws at the time of the purchase(s).

The Proposed Share Buy-Back shall only be effected on the market of Bursa Securities via its Automated Trading System and shall exclude any direct business transactions as defined in accordance with the Rules of Bursa Securities. The Proposed Share Buy-Back shall be transacted through its appointed stockbroker(s) as approved by Bursa Securities.

2.1 Quantum

The maximum aggregate number of Shares which may be purchased by the Company shall not exceed 10% of the total number of issued shares of the Company at any point in time.

As at the LPD, the number of issued shares of the Company is 265,983,119. Assuming that no further Shares are issued. Hence, the maximum number of Shares that may be purchased or held as treasury shares by the Company is 26,598,311 Shares.

The actual number of Shares to be purchased and the timing of such purchases will depend on, among others, market conditions and sentiments, as well as the retained profits and financial resources available to the Company at the time of the purchase(s).

2.2 Funding

The Proposed Share Buy-Back may be funded through internally generated funds and/or external borrowings as long as the purchase is backed by an equivalent amount of retained profits of the Company, subject to compliance with the Prevailing Laws.

As at the date of this Circular, the Company has not determined the source of funding for the Proposed Share Buy-Back. The amount of internally generated funds and/or external borrowings to be used will only be determined later, depending on, among others, the actual number of Shares to be purchased, the availability of funds at the time of purchase(s) and other relevant cost factors.

The Proposed Share Buy-Back, if funded through internally generated funds, is not expected to have a material impact on the cashflow position of the Company. If the Proposed Share Buy-Back is to be financed by external borrowings, the Company will ensure we will be able to repay such borrowings and that such repayment will not have a material effect on the cashflow. In addition, the Board will ensure that the Company satisfies the solvency test as stated in Section 112(2) of the Act before implementing the Proposed Share Buy-Back.

Based on the latest audited consolidated financial statements of the Company for the financial year ended 31 March 2021 accumulated loss at the Company level is approximately RM22.77 million.

2.3 Duration

The authority from you to undertake the Proposed Renewal of Share Buy-Back Authority, if granted, will be effective immediately after obtaining your approval and will continue to be in force until:

- (i) the conclusion of the next Annual General Meeting (“AGM”) of the Company, at which time it will lapse, unless by ordinary resolution passed at that meeting, the authority is renewed; or
- (ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extensions as may be allowed pursuant to Section 340(4) of the Act); or

- (iii) the authority is revoked or varied by an ordinary resolution passed by the shareholders in general meeting; whichever occurs first.

Your approval for the Proposed Renewal of Share Buy-Back Authority does not impose an obligation on the Company to purchase Vertice Shares. However, it will allow the Board to exercise the power of the Company to purchase Vertice Shares at any time within the above mentioned time period.

2.4 Purchase price

Pursuant to Paragraph 12.17 of the Listing Requirements, the Company may only purchase Vertice Shares on Bursa Securities at a price which is not more than 15% above the WAMP of Vertice Shares for the 5 market days immediately before the date of the purchase(s).

2.5 Treatment of the Purchased Shares

In accordance with Section 127(4) of the Act, where the Company has purchased Vertice Shares, the Directors may deal with the Purchased Shares, at their discretion, in the following manner:

- (i) cancel the Shares so purchased; or
- (ii) retain the Shares so purchased as treasury shares which is referred to as “Treasury Shares”; or
- (iii) retain part of the Shares so purchased as Treasury Shares and/or cancel the remainder of the Shares/Treasury Shares; or

Accordingly, based on Section 127(7) of the Act, where such Shares are held as treasury shares, the Directors may, at their discretion:

- (i) distribute the Treasury Shares as dividends to shareholders; or
- (ii) resell the Treasury Shares or any of the Treasury Shares in accordance with the relevant rules of Bursa Securities; or
- (iii) transfer the Treasury Shares or any of the Treasury Shares for the purposes of or under an employees’ share scheme; or;
- (iv) transfer the Treasury Shares or any of the Treasury Shares as purchase consideration; or
- (v) cancel the Treasury Shares or any of the Treasury Shares; or
- (vi) sell, transfer or otherwise use the Treasury Shares for such other purposes as the Minister may by order prescribe.

If the Purchased Shares are held as treasury shares, the rights attaching to them as to voting, dividends and participation in other distributions or otherwise, will be suspended and the treasury shares will not be taken into account in calculating the number of percentage of Shares, or of a class of shares in the Company for any purpose including substantial shareholdings, take-overs, notices, requisitioning of meetings, quorum for a meeting and result of a vote on a resolution at a meeting.

According to Paragraph 12.18 of the Listing Requirements, the Company may only resell the Treasury Shares on Bursa Securities or transfer the Treasury Shares pursuant to Section 127(7) of the Act at:

- (i) a price which is not less than the WAMP for Vertice Shares for the 5 market days immediately before the date of the resale or transfer; or

- (ii) a discounted price of not more than 5% to the WAMP for Vertice Shares for the 5 market days immediately before the date of the resale or transfer provided that:
 - (aa) the resale or transfer takes place not earlier than 30 days from the date of purchase; and
 - (bb) the resale or transfer price is not less than the cost of purchase of Vertice Shares being resold or transferred.

An immediate announcement will be made to Bursa Securities in respect of the intention of the Directors to either resell or transfer the Purchased Shares or cancel them.

2.6 Public shareholding spread

The Proposed Share Buy-Back will be carried out in accordance with the Prevailing Laws at the time of the purchase including compliance with the 25% public shareholding spread requirement as set out in Paragraph 8.02(1) of the Listing Requirements.

Based on the Record of Depositors of the Company as at the LPD, the public shareholding spread of the Company stood at 197,801,039 Shares, representing about 74.37% in the hands of 2,693 public shareholders holding not less than 100 Shares each.

The Company, in implementing the Proposed Share Buy-Back, will be mindful in ensuring that the minimum public shareholding spread of 25% is met and maintained.

2.7 Implication of the Code

As it is not intended for the Proposed Share Buy-Back to trigger the obligation to undertake a mandatory offer under the Code by any of the Company's substantial shareholders or persons acting in concert with them, the Board will ensure that only such number of Shares are purchased, retained as treasury shares, cancelled or distributed such that the Proposed Share Buy-Back would not result in the triggering of any mandatory offer obligation on the part of the Company's substantial shareholders and/or persons acting in concert with them. In this connection, the Board is mindful of the requirements of the Listing Requirements, the Code and the Prevailing Laws when making any purchase of Vertice Shares pursuant to the Proposed Renewal of Share Buy-Back Authority.

If the number of Shares bought back result in any substantial shareholder(s) and/or persons acting in concert with them triggering the Code, such substantial shareholder(s) and/or persons acting in concert with them may consider seeking an exemption from the obligation to undertake a mandatory offer under the Rules.

3. RATIONALE FOR THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The Proposed Renewal of Share Buy-Back Authority, if implemented, will provide the Company with an option to use the surplus financial resources to help stabilise the supply and demand as well as the price of Vertice Shares, thereby supporting the fundamental value of Vertice Shares.

All things being equal, the Proposed Share Buy-Back, regardless of whether the Purchased Shares are maintained as treasury shares or cancelled, will result in a lower number of Shares being used for the purposes of computing the EPS. Therefore, the Proposed Share Buy-Back will enhance the EPS of the Group.

The Purchased Shares may be held as treasury shares and resold on Bursa Securities at a higher price with the intention of realising a potential gain without affecting the total issued share capital of the Company. Should any treasury shares be distributed as share dividends, this would serve to reward you as shareholders of the Company.

Please refer to Section 4 below for the potential advantages and disadvantages of the Proposed Renewal of Share Buy-Back Authority.

4. POTENTIAL ADVANTAGES AND DISADVANTAGES

The potential advantages of the Proposed Renewal of Share Buy-Back Authority to the Company and the shareholders are as follows:

- (i) allows the Company to take preventive measures against speculation particularly when Vertice Shares are undervalued, which would in turn, stabilise the market price of Vertice Shares and hence, enhance investors' confidence;
- (ii) allows the Company flexibility in achieving the desired capital structure, in terms of debt and equity composition and size of equity; and
- (iii) where the Purchased Shares are retained as treasury shares, it will provide the Company with opportunities for potential gains if such treasury shares are resold at a higher price and it will also serve to reward the shareholders if such treasury shares are distributed as share dividends.

The potential disadvantages of the Proposed Renewal of Share Buy-Back Authority to the Company and the shareholders are as follows:

- (i) reduces the financial resources of the Group and may result in the Group foregoing other investment opportunities in the future and/or interest income that can be derived from the funds used for any purchase of Shares under the Proposed Share Buy-Back; and
- (ii) as the Proposed Share Buy-Back can only be made out of retained profits of the Company, it may result in the reduction of financial resources available for distribution to the shareholders in the immediate future.

The Proposed Renewal of Share Buy-Back Authority is not expected to cause any potential material disadvantage to the Company or the shareholders as any share buy-back exercise will be undertaken only after in depth consideration of the financial resources of the Company and of the resultant impact to the shareholders.

The Board will be mindful of the interests of the Company and the shareholders when undertaking the Proposed Share Buy-Back and in the subsequent resale of treasury shares on Bursa Securities, if any.

5. FINANCIAL EFFECTS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The proforma effects of the Proposed Renewal of Share Buy-Back Authority on the issued and paid-up share capital, NA, earnings, EPS and shareholdings of substantial shareholders are set out below based on the following assumptions:

Minimum Scenario : Assuming none of the Warrants and Proposed Share Buy-Back are exercised before the implementation of the Proposed Renewal of Share Buy-Back Authority.

Maximum Scenario : Assuming all of the Warrants and Proposed Share Buy-Back are exercised before the implementation of the Proposed Renewal of Share Buy-Back Authority.

5.1 Share capital

The effects of the Proposed Renewal of Share Buy-Back Authority on the Company are set out below:

	Minimum Scenario No. of Vertice Shares	Maximum Scenario No. of Vertice Shares
Issued and paid-up share capital as at the LPD	265,983,119	265,983,119
To be issued assuming full exercise of Warrants	-	60,000,000
	265,983,119	325,983,119
To be purchased and cancelled pursuant to the Proposed Renewal of Share Buy-Back	(26,598,311)	(32,598,311)
Enlarged issued and paid-up share capital	239,384,808	293,384,808

If the Purchased Shares are retained as treasury shares, the Proposed Share Buy-Back will not affect the issued share capital but the rights attaching to them as to voting, dividends and participation in other distributions or otherwise, of the Company's assets including any distribution of assets upon winding up of the Company will be suspended. The treasury shares will not be taken into account in calculating the number or percentage of Shares, or of a class of shares in the Company for any purpose including substantial shareholdings, take-overs, notices, requisitioning of meetings, quorum for a meeting and result of a vote on a resolution at a meeting.

5.2 NA

The effects of the Proposed Renewal of Share Buy-Back Authority on the NA and NA per Share will depend on the number of Shares purchased, the prices paid for such Shares, the effective funding cost to the Company to finance the purchase of such Shares, if any, or any loss in interest income to the Company, and whether the Purchased Shares are retained as treasury shares or cancelled. If the Purchased Shares are retained as treasury shares, the NA of the Group will decrease by the purchase cost of the treasury shares because the treasury shares are required to be carried at cost and be deducted from equity. If the treasury shares are subsequently cancelled or distributed as share dividends, there will be no additional effect on the NA of the Group. The Purchased Shares that are retained as treasury shares and/or cancelled and/or distributed as share dividends will reduce the NA per Share if the purchase price of such Shares exceeds the NA per Share, and vice versa. If the treasury shares are resold on Bursa Securities, it will increase the NA per Share if the Company realises a capital gain from such resale, and vice versa.

5.3 Gearing

Assuming that the treasury shares are being retained by the Company and no borrowing is being used to fund any purchase of the Purchased Shares, the Proposed Share Buy-Back may increase the gearing of the Group as the Purchased Shares will reduce the equity by the cost of Shares acquired and held as treasury shares.

The Proposed Share Buy-Back may further increase the gearing of the Group if borrowing is used to fund any purchase of the Purchased Shares. However, at this juncture, we have not determined whether to use any borrowing to purchase any Shares under the Proposed Renewal of Share Buy-Back Authority.

5.4 Earnings and EPS

Depending on the number of Shares purchased, the prices paid for such Shares, the effective funding cost to the Company to finance the purchase of such Shares, if any, or any loss in interest income to the Company, the Proposed Share Buy-Back may increase or reduce the EPS of the Group. Nevertheless, all things being equal, assuming that the treasury shares are retained by the Company, the Proposed Share Buy-Back is expected to increase the EPS of the Group as the treasury shares held by the Company will not be taken into account in calculating the total number of Shares in issue. If the Purchased Shares are cancelled, the number of Shares applied in the computation of EPS will reduce and accordingly, all things being equal, the Proposed Share Buy-Back will increase the EPS of the Group. If the Purchased Shares are resold, the extent of the impact to the EPS of the Group will depend on the actual selling price, the number of treasury shares resold and the effective gain on resale and any funding cost arising from the Proposed Share Buy-Back.

5.5 Working capital

The Proposed Renewal of Share Buy-Back Authority, when implemented, will reduce funds available for the working capital of the Group, the quantum of which will depend on, among others, the number of Shares purchased, the purchase price(s) of Shares and any costs incurred in making the purchase. However, the Board believes that the Proposed Renewal of Share Buy-Back Authority will not have any material effect on the working capital of the Group.

5.6 Existing convertible securities

Save for the following, the Company does not have any other outstanding convertible securities as at the LPD:

- (i) 60,000,000 Warrants

The Proposed Renewal of Share Buy-Back Authority will not have any effect on the Warrants..

5.7 Dividend

The Proposed Renewal of Share Buy-Back Authority is not expected to have any impact on the policy of the Board in recommending dividends to the shareholders of the Company. However, as stated in Section 2.5 above, the Board may distribute future dividends in the form of the treasury shares purchased pursuant to the Proposed Renewal of Share Buy-Back Authority.

5.8 Substantial shareholders' shareholding

The effect of the Proposed Renewal of Share Buy-Back Authority on the shareholdings of the substantial shareholders of Vertice is set out below:

Minimum Scenario:

Substantial Shareholder	⁽¹⁾ As at the LPD				⁽²⁾ After the Proposed Renewal of Share Buy-Back Authority			
	Direct		Indirect		Direct		Indirect	
	No. of Vertice Shares	%	No. of Vertice Shares	%	No. of Vertice Shares	%	No. of Vertice Shares	%
Wong Jia Yann	1,596,000	0.60	⁽³⁾ 13,200,000	4.96	1,596,000	0.67	⁽³⁾ 13,200,000	5.51
Changing Horizons Sdn Bhd	18,876,000	7.10	-	-	18,876,000	7.89	-	-
Chee Wai Hong	346,400	0.13	⁽⁴⁾ 18,876,000	7.10	346,400	0.14	⁽⁴⁾ 18,876,000	7.89

Notes:

- (1) Based on the issued shares capital of 265,983,119 ordinary shares of the Company as at the LPD.
- (2) Based on the enlarged share capital of 239,384,808 ordinary shares of the Company after the Proposed Renewal of Share Buy-Back.
- (3) Deemed interested pursuant to Section 8 of the Act through Hillspring Venture Sdn Bhd.
- (4) Deemed interested pursuant to Section 8 of the Act through Changing Horizons Sdn Bhd

Maximum Scenario:

Substantial Shareholder	⁽¹⁾ As at the LPD				⁽²⁾ After the Proposed Renewal of Share Buy-Back Authority and Assuming all Warrant sare exercised			
	Direct		Indirect		Direct		Indirect	
	No. of Vertice Shares	%	No. of Vertice Shares	%	No. of Vertice Shares	%	No. of Vertice Shares	%
Wong Jia Yann	1,596,000	0.49	⁽³⁾ 13,200,000	4.05	1,596,000	0.54	⁽³⁾ 13,200,000	4.50
Changing Horizons Sdn Bhd	18,876,000	5.79	-	-	18,876,000	6.43	-	-
Chee Wai Hong	346,400	0.11	⁽⁴⁾ 18,876,000	5.79	346,400	0.12	⁽⁴⁾ 18,876,000	6.43

Notes:

- (1) Based on the issued shares capital of 325,983,119 ordinary shares of the Company as at the LPD.
- (2) Based on the enlarged share capital of 293,384,808 ordinary shares the Company after the Proposed Renewal of Share Buy-Back and assuming all Warrants are exercised.
- (3) Deemed interested pursuant to Section 8 of the Act through Hillspring Venture Sdn Bhd.
- (4) Deemed interested pursuant to Section 8 of the Act through Changing Horizons Sdn Bhd

5.9 Directors' shareholding

The effect of the Proposed Renewal of Share Buy-Back Authority on the shareholdings of the Directors of Vertice is set out below:

Minimum Scenario:

Director	⁽¹⁾ As at the LPD				⁽²⁾ After the Proposed Renewal of Share Buy-Back Authority			
	Direct		Indirect		Direct		Indirect	
	No. of Vertice Shares	%	No. of Vertice Shares	%	No. of Vertice Shares	%	No. of Vertice Shares	%
Wong Kwai Wah	7,248,900	2.73	-	-	7,248,900	3.03	-	-
Ibrahim Bin Sahari	7,108,588	2.67	-	-	7,108,588	2.97	-	-
Ham Hon Kit	800,000	0.30	-	-	800,000	0.33	-	-
Yee Yit Yang	126,300	0.05	-	-	126,300	0.05	-	-

Notes:

(1) Based on the issued shares capital of 265,983,119 ordinary shares of the Company as at the LPD.

(2) Based on the enlarged share capital of 239,384,808 of ordinary shares the Company after the Proposed Renewal of Share Buy-Back.

Maximum Scenario:

Director	⁽¹⁾ As at the LPD				⁽²⁾ After the Proposed Renewal of Share Buy-Back Authority and Assuming all Warrants are exercised			
	Direct		Indirect		Direct		Indirect	
	No. of Vertice Shares	%	No. of Vertice Shares	%	No. of Vertice Shares	%	No. of Vertice Shares	%
Wong Kwai Wah	7,248,900	2.22	-	-	7,248,900	2.47	-	-
Ibrahim Bin Sahari	7,108,588	2.18	-	-	7,108,588	2.42	-	-
Ham Hon Kit	800,000	0.25	-	-	800,000	0.27	-	-
Yee Yit Yang	126,300	0.04	-	-	126,300	0.04	-	-

Notes:

(1) Based on the issued shares capital of 325,983,119 ordinary shares of the Company as at the LPD.

(2) Based on the enlarged share capital of 293,384,808 of ordinary shares the Company after the Proposed Renewal of Share Buy-Back and assuming all Warrants are exercised.

6. HISTORICAL SHARE PRICE

The monthly high and low prices of Vertice Shares as traded on Bursa Securities for the past 12 months from August 2020 to July 2021 are as follows:

2020	High (RM)	Low (RM)
August	0.220	0.170
September	0.490	0.210
October	0.360	0.205
November	0.305	0.210
December	0.310	0.210
2021		
January	0.375	0.215
February	0.265	0.225
March	0.285	0.230
April	0.300	0.235
May	0.290	0.230
June	0.315	0.235
July	0.325	0.245

Last transacted price of Vertice Shares on Bursa Securities on 4 August 2021, being the last trading day immediately prior to the announcement of the Proposed Renewal of Share Buy-Back Authority was RM0.290 per Vertice Share.

Last transacted price of Vertice Shares on Bursa Securities on LPD was RM0.265 per Vertice Share.

(Source: Yahoo Finance)

7. PURCHASE, RESALE, TRANSFER OR CANCELLATION OF TREASURY SHARES IN THE PRECEDING TWELVE (12) MONTHS

The Company has not made any purchase, resale or cancellation of its own Shares in the twelve (12) months preceding the date of this Statement.

8. APPROVAL REQUIRED

The Proposed Renewal of Share Buy-Back Authority is subject to your approval at the forthcoming AGM.

The Proposed Renewal of Share Buy-Back Authority is not conditional upon any other proposal undertaken or to be undertaken by the Company.

9. INTERESTS OF THE DIRECTORS, SUBSTANTIAL SHAREHOLDERS AND/OR PERSONS CONNECTED

Save for the consequential increase in the percentage of shareholdings and/or voting rights of the Directors and substantial shareholders of the Company as a result of the implementation of the Proposed Renewal of Share Buy-Back Authority, which will similarly affect the other shareholders, none of the Directors and substantial shareholders of the Company and/or persons connected to them has any interest, direct or indirect, in the Proposed Renewal of Share Buy-Back Authority and the subsequent resale of treasury shares, if any, in the future.

10. DIRECTORS' RECOMMENDATION

The Board, having considered all aspects of the Proposed Renewal of Share Buy-Back Authority, is of the opinion that the Proposed Renewal of Share Buy-Back Authority is in the best interest of the Company and the shareholders. Accordingly, the Board recommends that you vote in favour of the resolution pertaining to the Proposed Renewal of Share Buy-Back Authority to be tabled at the forthcoming AGM.

11. AGM

The 14th AGM, notice of which is enclosed in the 2021 Annual Report will be conducted through live streaming and online remote participation using Remote Participation and Voting ("RPV") Facilities as a fully virtual general meeting to be held virtually at the Broadcast venue of 1505-1506, Level 15, Tower 2, Faber Tower, Jalan Desa Bahagia, Taman Desa, 58100 Kuala Lumpur on Tuesday, 28 September 2021 at 10.30 a.m. for the purpose of considering and if thought fit, passing, inter alia, the ordinary resolution on the Proposed Renewal of Shareholders' Mandate as set out in the 2021 Annual Report of the Company.

The broadcast venue is strictly for the purpose of complying with Section 327(2) of the Companies Act, 2016 which requires the Chairperson of the meeting to be present at the main venue of the meeting. Members and proxies WILL NOT BE ALLOWED to attend the 14th AGM in person at the broadcast venue on the day of the meeting. Members are advised to read and follow the procedures provided in the Administrative Guide for the 14th AGM in order to participate remotely via RPV in the 14th AGM.

You will also find in the 2021 Annual Report, a copy of the Form of Proxy. If you are unable to attend and vote in person at the AGM, you are requested to complete, sign and return the Form of Proxy in accordance with either one of the following instructions at least forty-eight (48) hours before the time set for holding the AGM:-

(a) Deposit Hard Copy of Proxy Form

Share Registrar's office, ShareWorks Sdn Bhd at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan

or

(b) Deposit of Proxy Form Electronically

Share Registrar's email at ir@shareworks.com.my

The lodging of the Form of Proxy will not preclude you from attending and voting in person at the AGM should you subsequently decide to do so.

12. FURTHER INFORMATION

Shareholders are requested to refer to the attached Appendix for further information.

Yours faithfully

For and on behalf of the Board of Directors of
VERTICE BERHAD

TUN ARIFIN BIN ZAKARIA

Independent Non-Executive Chairman

FURTHER INFORMATION**1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by the Directors of Vertice and they collectively and individually accept full responsibility for the accuracy of the information given in this Circular in so far as it relates to the Vertice Group and confirm that after having made all reasonable enquiries and to the best of their knowledge, information and belief, there are no other facts the omission of which would make any statement in this Circular misleading.

2. MATERIAL CONTRACT

As at the date of this Circular, save as disclosed below, there are no contracts which are or may be material, not being contracts entered into in the ordinary course of business, which have been entered into by the Company and its subsidiary companies within two (2) years immediately preceding the date of this Circular:

- (a) On 30 September 2020, the Company entered into a Subscription Agreement in relation to issuance of up to 600,000,000 new 2% cumulative redeemable convertible preference shares ("RCPS") in Vertice at an issue price of RM0.10 each. As at the LPD, tranche 1 comprising up to 100,000,000 RCPS with an aggregate principal amount of up to RM10.0 million comprising 40 equal subtranches of RM250,000 each have been fully converted into 55,347,119 ordinary shares.

3. MATERIAL LITIGATION

Vertice Group is not engaged in any material litigation, claims or arbitration, either as a plaintiff or defendant and the Directors are not aware of any proceedings pending or threatened against the Vertice Group or of any facts likely to give rise to any proceedings which might materially affect the position or business of the Vertice Group.

4. DOCUMENTS FOR INSPECTION

The following documents are available for inspection at the Registered Office of the Company at B-3-9, 3rd Floor, Block B, Megan Avenue II, No. 12, Jalan Yap Kwan Seng, 50450 Kuala Lumpur during normal business hours on Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of the AGM:-

- (i) Constitution of Vertice;
- (ii) The audited consolidated financial statements of the Company for the past 2 financial years ended 31 March 2020 and 31 March 2021; and
- (iii) The material contracts referred to in Section 2 above.