
APPENDIX I – DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Announcement:

Act	: Companies Act, 2016 of Malaysia as amended from time to time and re-enactment thereof
Board	: Board of Directors of Vertice
Bursa Securities	: Bursa Malaysia Securities Berhad (200301033577 (635998-W))
COVID-19	: Coronavirus disease of 2019
Directors	: Directors of the Company
Disposal Consideration	: Cash consideration of RM9.0 million in relation to the Proposed Disposal
Disposal SSA	: Conditional share sale agreement dated 18 April 2022 entered into between Vertice and Distinct Seasons for the Proposed Disposal
Distinct Seasons or the Purchaser	: Distinct Seasons Sdn Bhd (200701028487 (786509-P)), the purchaser in relation to the Proposed Disposal
EPS	: Earnings per Share
FPE	: Financial period ended
FYE	: Financial year ended
Initial 60% Disposal	: The disposal of 60% equity interests in Kumpulan Voir by Vertice to Seow Khim Soon for a total cash consideration of approximately RM16.41 million, which was completed on 24 December 2020
Issuance of RCPS	: Issuance of up to 600,000,000 RCPS at the issue price of RM0.10 each, further details of which are set out in the circular to shareholders of the Company dated 19 November 2020
Kumpulan Voir	: Kumpulan Voir Sdn Bhd (198801002594 (169951-A)), a 40%-owned associated company of Vertice
Listing Requirements	: Main Market Listing Requirements of Bursa Securities
LPD	: 15 April 2022, being the latest practicable date prior to this Announcement
LPS	: Loss per share
NA	: Net assets
Parties	: Collectively, Vertice and Distinct Seasons
Principal SSA	: Conditional share sale agreement dated 13 December 2018 entered into between Vertice and Seow Khim Soon for the disposal of 60% equity interests in Kumpulan Voir for a total cash consideration of approximately RM32.62 million
Proposed Disposal	: The proposed disposal of 40% equity interest in Kumpulan Voir by Vertice to Distinct Seasons for a total cash consideration of approximately RM9.0 million, subject to the terms and conditions as set out in the Disposal SSA

APPENDIX I – DEFINITIONS (CONT'D)

RCPS	:	2% cumulative redeemable convertible preference shares in Vertice issued and/or to be issued pursuant to the Issuance of RCPS
RM and sen	:	Ringgit Malaysia and sen respectively
Shareholders	:	Registered holders of Vertice Shares
SIS	:	Employees' share issuance scheme of the Company which took effect on 18 December 2017 and unless extended, is effective for a period of 5 years
SIS Options	:	SIS options that may be granted to eligible persons during the duration of the SIS, where each holder of the options can subscribe for 1 new Share for every 1 option held in accordance with the terms and provisions of the by-laws
Subscription	:	The subscription of 14,880,000 and 22,320,000 new ordinary shares in Kumpulan Voir by Vertice and Seow Khim Soon respectively, which was completed on 21 October 2021
Subscription Agreement	:	Subscription agreement dated 27 September 2021 entered into between Vertice, Seow Khim Soon and Kumpulan Voir for the Subscription
Supplemental SSA	Principal :	Supplemental share sale agreement dated 21 October 2020 entered into between Vertice and Seow Khim Soon for the Initial 60% Disposal
Vertice or the Company or the Vendor	:	Vertice Berhad (200701007217 (765218-V))
Vertice Group or the Group	:	Collectively, the Company and its subsidiaries
Vertice Shares or Shares	:	Ordinary shares in the Company
Warrants A	:	Existing warrants 2014/2024 of the Company. Each warrant holder is entitled the right to subscribe for 1 Share at an exercise price of RM0.50

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1. Sale and purchase

Vertice is desirous of selling the total number of 16,106,000 ordinary shares of Kumpulan Voir representing 40% of the entire share capital of Kumpulan Voir held by Vertice (“**Sale Shares**”) and Distinct Seasons is desirous of purchasing the Sale Shares (on a willing buyer and willing seller basis) free from any and all encumbrances whatsoever together with all rights attached hereto subject to the terms and conditions of the Disposal SSA.

2. Purchase consideration

The sale and purchase for the Sale Shares shall be RM9.0 million by which the purchase consideration shall be paid by the Purchaser to Vendor in the following manner:

- (i) a first payment of RM1.0 million shall be paid by the Purchaser to Vendor upon the execution of the Disposal SSA (“**First Payment**”);
- (ii) the balance payment of RM8.0 million shall be paid by the Purchaser to Vendor by way of 10 equal monthly instalments of RM800,000 each commencing from 1 June 2022 to 31 March 2023 or such other extended day as may be mutually agreed by Parties (“**Balance Payment**”).

In the event where the Balance Payment is not being paid within the stipulated period, the Purchaser shall pay to Vendor an interest at the rate of 5% per annum on the amount of the Balance Payment or such part thereof remained outstanding commencing from the day after the expiry of the stipulated period until the date of full payment of the Balance Payment.

3. Completion

The completion of the sale and purchase of the Sale Shares shall take place at such place as may be agreed between the Parties, on the date of the payment of the First Payment (“**Completion Date**”).

Vendor shall execute and deposit the following documents with the Purchaser immediately upon the execution of the Disposal SSA:

- (i) the valid but unstamped form of transfer of securities pursuant to Section 105 of the Act duly executed by the Vendor as transferor of the Sale Shares (“**Transfer**”);
- (ii) the original share certificates in respect of the Sale Shares free from all encumbrances and with full legal and beneficial title duly registered in the name of Vendor;
- (iii) the undated directors’ resolution in writing (“**DRW**”) of Kumpulan Voir duly signed by all the directors of Kumpulan Voir approving and authorising the transfer and registration of the Sale Shares in the name of the Purchaser, the issuance of new share certificates in the name of the Purchaser and the cancellation of the previous share certificates registered in the name of the Vendor;
- (iv) the undated DRW of Kumpulan Voir duly signed by all the directors of Kumpulan Voir approving the appointment of such persons as the Purchaser may nominate as the directors of the Kumpulan Voir; and
- (v) the undated DRW of the Kumpulan Voir duly signed by all the directors of Kumpulan Voir authorising the change of signatories of all bank account(s) of the Kumpulan Voir to the representative nominated by the Purchaser, if required.

The Purchaser may at its absolute discretion to waive any requirement in the Disposal SSA contained but shall not be obliged to complete the purchase of any of the Sale Shares unless the remaining requirement in Clause 4.2 of the Disposal SSA have been fulfilled, failing which this Disposal SSA shall be terminated in accordance with the termination clause as stipulated herein. Thereafter, neither Party shall have any claims against the other.

4. Warranties

The Vendor undertakes with the Purchaser that all the warranting, representations and undertakings of the Vendor contained in Clause 5 of the Disposal SSA shall be true and correct and will continue to be true and accurate until and on the completion of the Sale Shares:

- (i) the Vendor is the legal and registered beneficial owner of the Sale Shares; and
- (ii) the Sale Shares are unencumbered.

The Vendor further confirms that there is no approval other than its board of directors' approval is required for the disposal of the Sale Shares in accordance with the terms of the Disposal SSA and the said Board approval has been duly obtained by the Vendor and in the event any additional approval is required for the disposal of the Sale Shares, the Vendor shall procure the same. Each of the warranties herein shall be separate and independent and save as expressly provided, shall not be limited by reference to any other sub-paragraph or anything in the Disposal SSA.

5. Post Completion Obligations

The Purchaser shall cause the financier of Kumpulan Voir to release, substitute, remove, replace in any manner whatsoever discharge the Vendor as a guarantor of all the financing facilities of the Kumpulan Voir within a period of 150 days from the Completion Date.

The Purchaser undertakes that it will hold the Vendor fully and effectually indemnified from and against any liability, damages, costs, losses, charges or expenses which the Vendor may suffer or incur as a result of or in relation to the financing facilities of the Kumpulan Voir. Such indemnity shall extend to include all reasonably incurred costs, charges and expenses which the Vendor may be incurred in investigating, disputing or defending any claim or action or other proceedings where the Purchaser is or may be liable to indemnify and all such costs, charges and expenses of this indemnity shall be reimbursed by the Purchaser.

If any action, proceeding, claim or demand brought or asserted against the Vendor which the Purchaser is or may be liable to indemnify, the Vendor shall promptly notify the Purchaser in writing and the Purchaser shall have the option to assume the defence, including the employment of legal advisers approved by Vendor (such approval not to be unreasonably withheld or delayed).

6. Confidentiality

Each Parties shall during the duration of the Disposal SSA and after the completion or termination of the Disposal SSA, maintain strict confidence and keep confidential of all the information therein contained and shall not use, disseminate or disclose such confidential information to any person or use for any purpose whatsoever other than for the purposes stated in this Agreement except:

- (i) with the prior written consent of the other Party;
- (ii) in accordance with and to the extent required by order of a court of competent jurisdiction;

- (iii) where disclosure is requirement for purposes of compliance with applicable laws, Listing Requirements and the like. Save as otherwise provided in the Disposal SSA, such Party shall not make any such disclosure without first notifying and allowing the relevant Party, a reasonable opportunity to seek injunctive relief from the obligation to make such disclosure;
- (iv) where the confidential information is available to the public domain;
- (v) where the confidential information is subsequently received by a Party in good faith from an entity or party other than the Party;
- (vi) where the confidential information is independently developed by a Party without use of the other Party's confidential information; or
- (vii) where disclosure is required for the enforcement of the Disposal SSA or disclosure to such Party's advisers.

7. Cost and Expenses

The Purchaser shall be responsible for the payment of the stamp duties and the fees for the registration and transfer of the Sale Shares in respect of the Disposal SSA. Aside from the payment of the stamp duties, each Party shall bear their respective costs and expenses incurred in respect of the Disposal SSA.

8. Termination

The Disposal SSA shall be terminated in the event the following occurs:

- (i) a Party commits a material breach and such breach is not capable of being remedied;
- (ii) a Party commits a material breach and is capable of being remedied but such Party fails, refuses or neglects to remedy such breach within 30 days after written notice of such breach is given;
- (iii) a Party is being made bankrupt, insolvent, liquidated or wound up or such party is granted a moratorium or protection from its creditors, or a petition for bankruptcy or winding up is presented;
- (iv) when a Party dies, becomes of unsound mind, incapacitated, committed an act of bankruptcy or is adjudicated a bankrupt;
- (v) where any distress or execution or other process of a court of competent jurisdiction is levied upon or issued against any substantial part of the assets or property of a party and such distress is not satisfied by such party within thirty days thereof unless it is contested in good faith within 30 days from such jurisdiction; or
- (vi) any of the warranties are untrue or inaccurate and the Vendor fails or refuses to remedy the same within 14 days from its receipt of the Purchaser's written notice for such remedy.

(collectively referred to as the "**Event of Default**")

Upon the occurrence of an Event of Default by the Vendor, the Vendor may, at any time and while the Purchaser's default as described herein subsists give a notice of termination to the Purchaser to terminate this Agreement forthwith without prejudice to all other rights and remedies available at any time to the Vendor and to take such actions or proceedings as it deems fit to claim damages and loss and all costs and expenses (on a full indemnity basis) incurred in connection with such actions or proceedings. Upon termination, the Vendor shall require the Purchaser to return all documents provided to the Vendor within 7 days from the events referred above with all the Vendor's rights and interest in the Kumpulan Voir intact. The Vendor shall refund all the monies paid (including but not limited to the First Payment to the Purchaser).

Upon the occurrence of an Event of Default by the Vendor, the Purchaser, may, at any time and while the Vendor's default as described herein subsists give a notice of termination to the Vendor to terminate the Disposal SSA forthwith without prejudice to all other rights and remedies available at any time to the Purchaser and to take such actions or proceedings as it deems fit to claim damages and loss and all costs and expenses incurred in connection with such actions or proceedings. Upon termination, the Vendor shall require the Purchaser to return all documents provided to the Purchaser within 7 days from the events referred above with all the Vendor's rights and interest in the Kumpulan Voir intact. The Vendor shall refund all the monies paid (including but not limited to the First Payment to the Purchaser).

The Vendor or the Purchaser may terminate the Disposal SSA by notice of termination to the other Party if as a result of any change in applicable laws, the transaction contemplated by the Disposal SSA or the performance by a Party of its obligations under the Disposal SSA becomes unlawful whereupon the Vendor shall refund all the monies paid (including but not limited to the First Payment) to the Purchaser.

In the event where the Disposal SSA is terminated, the following shall apply:

- (a) the Disposal SSA shall be null and void and be of no further effect;
- (b) each Party will have no further obligations to the other Party;
- (c) the Vendor shall refund the First Payment to the Purchaser within 7 days upon the receipt of a termination notice in writing;
- (d) the termination will be without prejudice to any rights and liabilities arising as a result of, or in connection with, any antecedent breaches of the Disposal SSA; and
- (e) the Vendor shall have the absolute right to re-sell the Sale Shares to such person at such price and manner where the Vendor thinks fit.

9. Governing Law and Jurisdiction

The Disposal SSA shall be governed by and construed in accordance with the laws of Malaysia. In the event where disputes arising out of or relating to the Disposal SSA, the Parties are to settle amicably or in the event if such settlement is not reached, it is to be referred to an arbitrator in which the decision of the arbitrator shall be final and binding on each Parties.

10. Force Majeure

None of the Parties shall be responsible to the other for the non-performance or the delay of performance of any of the terms and conditions in the Disposal SSA owing to acts of God, acts of Government, riots, war (whether declared or not), strikes, lock-outs, industrial actions or any other causes beyond the control of such party.