

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

INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2022

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

	Unaudited Quarter ended 31-Mar-22 RM'000	Audited Quarter ended 31-Mar-21 RM'000	Change %	Unaudited Year to date ended 31-Mar-22 RM'000	Audited Year to date ended 31-Mar-21 RM'000	Change %
Revenue	252	12,288	-98%	8,403	44,655	-81%
Cost of sales	(3,237)	(12,176)	-73%	(11,091)	(43,743)	-75%
Gross profit	(2,985)	112	-2765%	(2,688)	912	-395%
Administrative expenses	(1,389)	(2,916)	-52%	(5,303)	(8,822)	-40%
Net allowance for expected credit losses	(26,084)	(4,562)	472%	(25,948)	(4,408)	489%
Other operating income	(26)	7,157	-100%	95	7,177	-99%
Other operating loss	-	3,350	-100%	-	-	-
Profit/(Loss) from operations	(30,484)	3,141	-1071%	(33,844)	(5,141)	558%
Finance income	297	284	5%	508	296	72%
Finance cost	(9)	(27)	-67%	(65)	(626)	-90%
Net finance (cost)/income	288	257	12%	443	(330)	-234%
Share of result of associate	1,540	(2,104)		(3,492)	(2,104)	
Profit/(Loss) before taxation	(28,656)	1,294	-2315%	(36,893)	(7,575)	387%
Income tax reversal / (expense)	(358)	(460)	-22%	(442)	(555)	-20%
Profit/(Loss) after taxation	(29,014)	834	-3579%	(37,335)	(8,130)	359%
Loss from discontinued operation, net of tax	-	(11,701)	-100%	-	(11,701)	-100%
Profit/(Loss) for the year	(29,014)	(10,867)	167%	(37,335)	(19,831)	88%
Other comprehensive income						
Fair value gain/(loss) on equity investments designated at fair value through other comprehensive income	(4,352)	-	-	(4,352)	-	-
Total comprehensive income/(loss)	(33,366)	(10,867)	207%	(41,687)	(19,831)	110%
Net profit/(loss) attributable to:						
Owners of the Company	(28,938)	(10,551)		(35,837)	(19,899)	
Non-controlling interests	(76)	(316)		(1,498)	68	
	(29,014)	(10,867)		(37,335)	(19,831)	
Total comprehensive income/(loss) attributable to:						
Owners of the Company	(33,290)	(10,551)		(40,189)	(19,899)	
Non-controlling interests	(76)	(316)		(1,498)	68	
	(33,366)	(10,867)		(41,687)	(19,831)	
Earning/(Loss) per share attributable to equity holders of the parent:						
Basic (sen)	(10.36)	(4.98)		(12.83)	(9.39)	
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 2021 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 31 MARCH 2022

	Note	As at 31-Mar-22 RM'000 (Unaudited)	As at 31-Mar-21 RM'000 (Audited)
Non-Current Assets			
Plant and equipment		854	966
Right of use assets		3,391	2,981
Investment in associate		-	7,549
Other investments		14,508	9,860
Goodwill		3,349	-
Deferred tax assets		161	-
Trade receivables	B7 (i)	2,170	9,524
		<u>24,433</u>	<u>30,880</u>
Current Assets			
Contract assets		20,806	19,544
Inventories		12,501	-
Trade receivables	B7 (i)	23,233	39,015
Other receivables, deposits and prepayments	B7 (ii)	11,095	33,470
Tax recoverable		1,514	2,969
Fixed deposits with a licensed bank		90	30
Cash and bank balances		5,774	6,405
		<u>75,013</u>	<u>101,433</u>
Disposal group held for sale		-	-
		<u>75,013</u>	<u>101,433</u>
TOTAL ASSETS		<u>99,446</u>	<u>132,313</u>
EQUITY			
Share capital		139,627	128,143
Share options reserve		-	455
Fair value reserves		(4,352)	-
Accumulated losses		(68,125)	(32,743)
Equity attributable to owners of the Company		<u>67,150</u>	<u>95,855</u>
Non-controlling interests		2,509	4,232
Total Equity		<u>69,659</u>	<u>100,087</u>
Non Current Liabilities			
Hire purchase liabilities	B6	1,150	1,410
Other lease liabilities		1,751	816
Deferred tax liability		-	-
Trade payables		1,229	1,649
		<u>4,130</u>	<u>3,875</u>
Current Liabilities			
Contract liabilities		-	-
Trade payables		3,806	26,827
Other payables and accruals		16,742	407
Hire purchase liabilities	B6	489	467
Other lease liabilities		-	320
Provision		4,262	327
Tax payable		358	3
		<u>25,657</u>	<u>28,351</u>
Total Liabilities		<u>29,787</u>	<u>32,226</u>
TOTAL EQUITY AND LIABILITIES		<u>99,446</u>	<u>132,313</u>
Net Asset per share (in RM)		<u>0.21</u>	<u>0.36</u>

The unaudited condensed consolidated Statement of Financial Position should be read in conjunction with the audited Financial Statements for the financial year ended 31 March 2021 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 YEAR ENDED 31 MARCH 2022
(THE FIGURES HAVE NOT BEEN AUDITED)

	Attributable to owners of the Company						
	Non-Distributable			Distributable			
	Share Capital RM'000	Share Options Reserve RM'000	Fair Value Reserve RM'000	Retained Earnings RM'000	Total RM'000	Non-controlling Interests RM'000	
As At 1 April 2021	128,143	455	-	(32,743)	95,855	4,232	100,087
Share option value	-	(455)	-	455	-	-	-
Changes in fair value of equity investments measured at fair value through other comprehensive income	-	-	(4,352)	-	(4,352)	-	(4,352)
Shares issued during the year							
- Private placement	11,484	-	-	-	11,484	-	11,484
- Share issuance scheme	-	-	-	-	-	-	-
- Conversion of redeemable convertible preference shares	-	-	-	-	-	-	-
	11,484	-	-	-	11,484	-	11,484
Additional contribution by non-controlling interest	-	-	-	-	-	(225)	(225)
Disposal of asset held for sale	-	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(35,837)	(35,837)	(1,498)	(37,335)
As At 31 March 2022	139,627	-	(4,352)	(68,125)	67,150	2,509	69,659
As At 1 April 2020	114,097	-	-	(12,844)	101,253	3,268	104,521
Share option value	-	688	-	-	688	-	688
Exercise of share option	233	(233)	-	-	-	-	-
Shares issued during the year							
- Private Placement	4,297	-	-	-	4,297	-	4,297
- Share issuance scheme	840	-	-	-	840	-	840
- Conversion of redeemable convertible preference shares	8,676	-	-	-	8,676	-	8,676
	13,813	-	-	-	13,813	-	13,813
Disposal of asset held for sale	-	-	-	-	-	896	896
Total comprehensive loss for the year	-	-	-	(19,899)	(19,899)	68	(19,831)
As At 31 March 2021	128,143	455	-	(32,743)	95,855	4,232	100,087

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 2021 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 YEAR ENDED 31 MARCH 2022

	Unaudited 31-Mar-22 RM'000	Audited 31-Mar-21 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax from continuing operations	(36,893)	(7,575)
Loss before tax from discontinued operations	-	-
Adjustments for:		
Allowance for expected credit losses	12,197	5,135
Amortisation & depreciation	727	1,551
Bad debt written off	-	1,460
Impairment loss/(reversal)	9,937	(726)
Share option expense	-	688
Finance income	(445)	-
Interest income	(63)	(296)
Interest expenses	65	626
Gain on disposal of property, plant & equipment	(35)	-
Gain on disposal of subsidiary	-	(7,063)
Share of results of associate	3,492	2,104
Right of use assets written off	(26)	-
Gain on modification of lease liabilities	-	(33)
Fair value adjustment on contract revenue	-	716
Provision for onerous contract	-	327
Property, plant & equipment written off	-	-
Inventories written off	-	-
Inventories written down	-	-
Operating loss before working capital changes	(11,044)	(3,086)
Changes in contract assets/liabilities -net	(1,262)	(15,838)
Decrease/(Increase) in trade and other receivables	10,899	(9,834)
Increase/(Decrease) in trade and other payables	(16,907)	11,549
Decrease/(Increase) in inventories	-	-
Cash used in operations	(18,314)	(17,209)
Income tax paid	(520)	(778)
Income tax refunded	1,897	3,136
Net cash from/(used in) operating activities	(16,937)	(14,851)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of plant & equipment	(791)	(6)
Acquisition of right of use assets	(641)	(58)
Investment in associate	(14,880)	-
Net cash outflow from acquisition of subsidiaries	(1,345)	-
Proceeds from disposal of subsidiary	-	4,088
Repayments from an associate	21,584	2,031
Proceeds from disposal of plant & equipment	750	-
Increase in fixed deposits pledged	(60)	(30)
Interest received	508	25
Net cash (used in)/from investing activities	5,125	6,050
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(65)	(626)
Repayment of lease liabilities	(238)	-
Repayment of bank borrowings	-	(2,991)
Proceeds from bank borrowings	-	2,991
Proceeds from issuance of ordinary shares - net	-	5,137
Proceeds from private placement	11,484	-
Issuance of redeemable convertible preference shares	-	8,676
Lease liabilities	-	(941)
Net cash from /(used in) financing activities	11,181	12,246
Net changes in cash and cash equivalents	(631)	3,445
Cash and cash equivalents brought forward	6,405	2,960
Cash and cash equivalents carried forward	5,774	6,405
Cash and cash equivalents comprise:		
<u>Continuing operations</u>		
Fixed deposits	90	30
Cash and bank balances	5,774	6,405
Bank overdrafts	-	-
	5,864	6,435
Less: Deposits pledged	(90)	(30)
	5,774	6,405
<u>Discontinued operations</u>		
Fixed deposits	-	-
Cash and bank balances	-	-
Bank overdrafts	-	-
	5,774	6,405

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 2021 and the accompanying explanatory notes attached to the interim consolidated Financial Statements.

INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 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 fourth quarter ended 31 March 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 2021 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 2021, 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 2021 was not subject to any qualification.

A3. Seasonal Or Cyclical Factors

The construction and newly acquired property development business of the Group is 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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INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 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.

	Revenue		Profit/(Loss) before tax	
	Year To Date Ended		Year To Date Ended	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
	RM'000	RM'000	RM'000	RM'000
Constructions	8,401	44,655	(18,304)	(7,020)
Development property	-	-	(33)	-
Investment holdings and others	2	-	(18,556)	(555)
	8,403	44,655	(36,893)	(7,575)

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 acquisition of 2 new subsidiaries as follows:

(1) On 18 February 2022, the Company acquired 2,000,000 ordinary shares representing 100% equity interest in Amcap Solutions Sdn Bhd for a total consideration of RM 1,802,667.

(2) On 21 January 2022, the newly incorporated 100% owned subsidiary, Wande Development Sdn Bhd acquired 137,500 ordinary shares representing 55% equity interest in Greenview Pavilion Sdn Bhd for a total consideration of RM4,455,000.

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 31 March 2022.

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INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 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 31 March 2022

	Quarter ended		Changes	Year To Date Ended		Changes
	31-Mar-22	31-Mar-21		31-Mar-22	31-Mar-21	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	252	12,288	(12,036)	8,403	44,655	(36,252)
Profit/(Loss) before taxation	(28,656)	1,294	(29,950)	(36,893)	(7,575)	(29,318)
Profit/(Loss) after taxation	(29,014)	834	(29,848)	(37,335)	(8,130)	(29,205)
Comprehensive income/(loss) attributable to equity holders of the parent	(28,938)	(10,551)	(18,387)	(35,837)	(19,899)	(15,938)

Construction

The construction business recorded a turnover of RMm 0.3 million in the current quarter which was lower than the preceding year corresponding quarter of RM12.3 million. The revenue in the current period was lower as most of the older projects had their contracts ended prematurely on grounds of feasibility to continue after prolonged periods of slowdown in work progress. This also included the mutual termination of the Light Rail Transit Line 3 project which saw downward adjustment to its revenue recognised as a result of final lower billings. Overall, current year to date revenue was RM8.4 million as compared to preceding year to date revenue of RM44.7 million. The current year to date revenue was lower as during the first 2 quarters of the current financial year, the Movement Control Order had significantly affected progress of construction works, besides the reason mentioned for the current quarter plus the lower revenue recognised for the Penang Package 2 project explained previously.

Loss before tax was recorded at RM28.7 million in the current quarter compared to profit before tax of RM1.3 million in the preceding year corresponding quarter mainly due to the downward adjustment in revenue recognised for the Light Rail Transit Line 3 project in the current quarter of RM4.2 million, plus current quarter impairments totalling RM24.9 million which includes impairment loss of RM8.4 million from the disposal of investment in Kumpulan Voir Sdn Bhd ("KVSb"). Overall, current year to date loss before tax was RM36.9 million as compared to preceding year to date loss before tax of RM7.6 million. The main reason for this mainly came from the current quarter besides the fact that during the previous financial year, RM7.1 million had been classified as other operating income from the disposal of KVSb.

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

	Current Quarter	Immediate Preceding Quarter	Change	
	31-Mar-22	31-Dec-21		
	RM'000	RM'000	RM'000	%
Revenue	252	2,581	(2,329)	-90%
Profit/(Loss) from operations	(30,484)	(3,087)	(27,397)	887%
Profit/(Loss) before taxation	(28,656)	(4,566)	(24,090)	528%
Profit/(Loss) after taxation	(29,014)	(4,650)	(24,364)	524%
Comprehensive income/(loss) attributable to equity holders of the parent	(28,938)	(3,385)	(25,553)	755%

Construction

The Group recorded the construction revenue of RM0.3 million in the current quarter, representing a decrease of RM2.3 million over the immediate preceding quarter, mainly due to the downward adjustment in revenue recognised for the Light Rail Transit Line 3 project in the current quarter as explained in note B1.

The loss before tax in current quarter of RM28.7 million was higher as compared to immediate preceding quarter of RM4.6 million mainly due to impairment losses amounting to RM24.9 million in the current quarter as well as a downward adjustment in revenue recognised for the Light Rail Transit Line 3 project of RM4.2 million. Such impairment losses arise from receivables and the investment in KVSb.

VERTICE BERHAD
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INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 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 RM104.64 million comprising both construction and property development projects, with the construction arm adding to its order book of approximately RM47.5 million during the current quarter.

The Group's property development arm is now parked under its wholly owned subsidiary, Wande Development Sdn Bhd ("Wande"). During the current quarter, Wande completed its acquisition of a 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, Klang Valley and East Malaysia. Greenview's current maiden project is located in Penang with a Gross Development value of RM45.4 million.

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:-

	Current Quarter 31-Mar-22 RM'000	Year to Date 31-Mar-22 RM'000
Current year tax expense	358	358
Under/(over) provision in prior year	-	84
Deferred tax expenses/(reversal)	-	-
	<u>358</u>	<u>442</u>

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INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 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 31-March-2022			Quarter ended 31-March-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	489	-	489	467	-	467
Bridging loan	-	-	-	-	-	-
Bank overdrafts	-	-	-	-	-	-
	<u>489</u>	<u>-</u>	<u>489</u>	<u>467</u>	<u>-</u>	<u>467</u>
<u>Long-term borrowings</u>						
Hire purchase creditors	1,150	-	1,150	1,410	-	1,410
	<u>1,150</u>	<u>-</u>	<u>1,150</u>	<u>1,410</u>	<u>-</u>	<u>1,410</u>

The Group does not have any foreign currency borrowings as at 31 March 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 31-Mar-22 RM'000	As at 31-Mar-21 RM'000
<u>(i) Trade receivables</u>		
Retention sum for contract works	4,866	5,755
Trade receivables	36,522	47,077
	41,388	52,832
Less : Allowance for lifetime expected credit losses	(15,985)	(4,293)
	25,403	48,539
Less : Portion due within one year	(23,233)	(39,015)
Non current portion	<u>2,170</u>	<u>9,524</u>
<u>(ii) Other receivables, deposits and prepayments</u>		
Amount due from a sub-contractor	3,124	2,492
Less: Allowance for lifetime expected credit losses	(3,124)	(1,890)
	-	602
Amount due from an associate	1,746	23,330
Deposits	2,197	342
Advance payments for construction costs	7,000	7,000
Refundable security deposit for construction contract	1,000	1,500
Less: Allowance for lifetime expected credit losses	(1,275)	-
	6,725	8,500
Other receivables	375	586
Prepayments	52	110
	<u>11,095</u>	<u>33,470</u>

B8. Material Litigation

The Group is not engaged in any material litigation either as plaintiff or defendant and the Directors do not have any knowledge of any proceedings pending or threatened against the Group as at the date of this report.

B9. Dividend Proposed

No dividend has been declared during the current quarter under review.

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INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 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.

	Current Quarter 31-Mar-22	Year to Date 31-Mar-22
	RM'000	RM'000
Earnings attributable to owners of the Company	<u>(28,938)</u>	<u>(35,837)</u>
Number of ordinary shares ('000)	279,392	279,392
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>279,392</u>	<u>279,392</u>
Earnings/(loss) per ordinary share (sen)		
Basic	(10.36)	(12.83)
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 year.

INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 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 principle 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	-	-	-
Total	10,000	10,000		-		

(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	2,404	Within 6 months	1,500	38%	Note 1
(ii) Property development expenditure	6,184	3,094	Within 6 months	3,090	50%	Note 1
(iii) Working capital	1,396	1,396	Within 3 months	-	-	
(iv) Expenses for the private placement	336	336	Immediate	-	-	
Total	11,820	7,230		4,590		

Note 1 : The proceeds allocated for construction project and property development expenditure has been fully utilised in the following quarter based on the progress of works of the identified projects.

(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.

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 31 May 2022.