

VERTICE BERHAD (“VERTICE” OR THE “COMPANY”)

- (I) EXTENSION OF SIS;**
 - (II) PROPOSED ALLOCATION; AND**
 - (II) PROPOSED CHANGE OF NAME**
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(Unless stated otherwise or defined herein, the abbreviations used in this Announcement shall be defined in Appendix I.)

1. INTRODUCTION

The Board wishes to announce that pursuant to By-laws 23.2 of the SIS, the Board has approved the extension of the SIS which will be expiring on 17 December 2022, for a further period of 5 years commencing from 18 December 2022 to 17 December 2027. The Extension of SIS is not subject to the approval of any regulatory authorities or the Shareholders.

In conjunction with the above, the Company wishes to undertake the Proposed Allocation and Proposed Change of Name.

2. DETAILS OF THE PROPOSED ALLOCATION

On 22 November 2017, Vertice had obtained its Shareholders' approval for the establishment and implementation of the SIS. The SIS was subsequently implemented on 18 December 2017 and is effective for a period of 10 years from the date of implementation in accordance with the terms of the By-laws, following the Extension of SIS.

Since the commencement of the SIS on 18 December 2017 up to the LPD, the Company has issued 3,000,000 Shares pursuant to the exercise of the SIS Options. As at the LPD, there are no SIS Options which have been granted but not yet exercised.

Following this, the Company has 44,876,900 SIS Options that may be granted and exercised into 44,876,900 Shares pursuant to the maximum allowable amount under the SIS.

In accordance with the By-laws, where any SIS Options are to be granted to any Interested Eligible Person, the specific allocation of SIS Options by the Company to him under the SIS must have been approved by the Shareholders at a general meeting. Further, pursuant to Paragraph 6.06(2) of the Listing Requirements, the Interested Eligible Person must not vote on the resolution in respect of his own allocation and must ensure that persons connected with him abstain from voting on the aforesaid resolution.

Accordingly, the Board proposes to seek Shareholders' approval at an EGM to be convened for the proposed allocation of the SIS Options to the following Directors:

Name of Director	Designation	Date of Appointment
Tun Arifin Bin Zakaria	Independent Non-Executive Chairman	13 February 2018
Dato' Sri Haji Wan Adnan Bin Wan Mamat	Independent Non-Executive Deputy Chairman	7 October 2021
Law Ngia Meng	Executive Director	7 October 2021
Dato' Dr Haji Shamsul Anwar Bin Sulaiman	Independent Non-Executive Director	25 January 2022

Name of Director	Designation	Date of Appointment
Chai Hann Lin	Independent Non-Executive Director	7 October 2021
Ooi Guan Hoe	Independent Non-Executive Director	31 December 2021

2.1 Basis of allotment and maximum allowable allotment of new Shares

Subject to the maximum number of Shares allowable under the SIS and any adjustments which may be made under the By-laws, the total number of SIS Options that may be granted to any Eligible Person shall be determined at the sole and absolute discretion of the SIS Committee after taking into consideration, amongst other factors, the position, seniority and length of service of the Eligible Person, and such other factors that the SIS Committee may deem relevant, subject to the following conditions:

- (i) the number of new Shares to be allocated to any Eligible Person who, either singly or collectively through persons connected with such Eligible Person, holds 20% or more of the total number of issued Shares (excluding treasury shares, if any), does not exceed 10% (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) of the total number of Shares to be issued under the SIS; and
- (ii) the Eligible Persons do not participate in the deliberation or discussion in respect of their own allocation,

provided always that it is in accordance with any prevailing guidelines issued by Bursa Securities, including the Listing Requirements or any other requirements of the relevant authorities as amended from time to time.

2.2 Exercise Price

Subject to any adjustments that may be made in accordance with the By-laws, the Exercise Price shall be based on a price to be determined by the Board upon recommendation of the SIS Committee based on the 5-day VWAP of the Shares immediately preceding the Date of Offer with a discount of not more than 10%, if deemed appropriate, or such lower or higher limit in accordance with any prevailing guidelines issued by Bursa Securities or any other relevant authorities as amended from time to time.

2.3 Ranking of the new Shares to be issued pursuant to the exercise of the SIS Options

The new Shares to be issued arising from the exercise of the SIS Options shall, upon allotment, issuance and full payment, rank equally in all respects with the existing Shares, save and except that the holders of such new Shares shall not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid to Shareholders, the entitlement date of which is prior to the date of allotment and issuance of such new Shares.

The SIS Options shall not carry any rights to vote at any general meeting of the Company. The Grantee shall not in any event be entitled to any dividends, rights or other entitlements on his unexercised SIS Options.

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2.4 Retention period

The new Shares to be allotted and issued to a Grantee (save for an Eligible Director who is a non-executive Director) pursuant to the exercise of a SIS Option under the SIS will not be subject to any retention period or restriction on transfer unless otherwise stated in the Offer as may be determined by the SIS Committee from time to time at its discretion.

Notwithstanding the above, pursuant to Paragraph 8.20 of the Listing Requirements, a Grantee who is a non-executive Director of any company within the Group (excluding any dormant subsidiary) must not sell, transfer or assign his/her Shares obtained through the exercise of the SIS Options offered to him/her pursuant to the SIS within 1 year from the Date of Offer or such period as may be prescribed by Bursa Securities.

2.5 Listing and quotation of the new Shares pursuant to the exercise of the SIS Options

Bursa Securities has, via its letter dated 17 October 2017, approved the listing and quotation of such number of new Shares to be issued upon the exercise of the SIS Options pursuant to the SIS on the Main Market of Bursa Securities.

3. DETAILS OF THE PROPOSED CHANGE OF NAME

The Company intends to seek Shareholders' approval at an EGM to be convened on the proposed change of name of the Company from "Vertice Berhad" to "Infraharta Group Berhad".

The proposed name of "Infraharta Group Berhad" was approved by the CCM on 28 January 2022. The Proposed Change of Name, if approved by Shareholders, shall be effective from the date the Notice of Registration of New Name is issued by the CCM. The constitution of the Company will be amended accordingly to reflect the change of name.

4. RATIONALE FOR THE PROPOSED ALLOCATION AND PROPOSED CHANGE OF NAME

4.1 Proposed Allocation

The Proposed Allocation is consistent with the overall objectives of the SIS to provide Eligible Persons an opportunity to have equity participation in the Company and facilitate in the achievement of the following objectives:

- (i) to motivate, reward and retain the Eligible Persons who, upon exercising their SIS Options would be given the opportunity to participate in the equity of the Company thereby relate their contribution directly to the Group;
- (ii) to provide incentives to the Eligible Persons to be committed to the Group without adversely affecting the cash flow of the Group; and
- (iii) to have a more competitive remuneration scheme to attract more skilled and experienced individuals to join the Group and contribute to its continued growth and profitability.

The SIS, which is also extended to the non-executive Directors, is to recognise their contribution and effort as they play a constructive role in the governance, growth and performance of the Group. Their participation in the equity of the Company is expected to enhance their level of commitment and contribution as well as to enable the Company to attract and retain capable individuals to act as non-executive Directors, who will assist in the overall strategic decisions of the Group.

4.2 Proposed Change of Name

The Proposed Change of Name is undertaken to provide a new corporate identity for the Company and to reflect the Group's current principal activities better, which currently include construction and property development.

5. EFFECTS OF THE PROPOSED ALLOCATED AND PROPOSED CHANGE OF NAME

5.1 Proposed Allocation

5.1.1 Issued share capital

The Proposed Allocation is not expected to have an immediate effect on the issued share capital of the Company until such time when the SIS Options granted under the SIS are exercised. Any potential effects on the issued share capital of the Company will depend on the number of new Shares to be issued upon the exercise of the SIS Options granted under the SIS and the Exercise Price.

5.1.2 NA and gearing

The Proposed Allocation is not expected to have an immediate effect on the NA and gearing of the Group until such time when the SIS Options granted under the SIS are exercised. Any potential effect on the NA and gearing of the Group in the future will depend on the number of SIS Options granted and exercised, the Exercise Price and the non-cash expenses arising from the granting of the SIS Options under Malaysian Financial Reporting Standards 2 ("**MFRS 2**"). The quantum of such impact cannot be determined at this juncture as it will be measured at the date of granting the SIS Options. Further information on this is set out in Section 5.1.4 of this Announcement.

For illustrative purposes, upon exercise of the SIS Options, the NA per Share is expected to:

- (i) increase if the Exercise Price is higher than the NA per Share; or
- (ii) decrease if the Exercise Price is lower than the NA per Share,

at the point of the SIS Options being exercised.

5.1.3 Substantial Shareholders' shareholdings

The Proposed Allocation is not expected to have any immediate effect on the substantial Shareholders' shareholdings in the Company until and unless new Shares are issued pursuant to the exercise of the SIS Options. Any potential effect on the substantial Shareholders' shareholdings in the Company would depend on the number of new Shares to be issued at the relevant point in time.

5.1.4 Earnings and EPS

The Proposed Allocation is not expected to have any immediate material effect on the earnings and EPS of the Group until such time when the SIS Options are granted and exercised. Any potential effect on the EPS of the Group in the future will depend on the number of SIS Options granted and exercised, the Exercise Price and the non-cash expenses arising from the granting of the SIS Options under MFRS 2.

The quantum of such impact cannot be determined at this juncture as it will be measured at the date of granting the SIS Options based on, amongst others, the share price volatility, risk-free interest rate and pricing model. The fair value of the SIS Options will be recognised as an expense in the profit or loss account of the Group over the vesting period of the SIS Options. However, it should be noted that the estimated cost does not represent a cash outflow by the Group as it is merely an accounting treatment.

The Board takes note of the potential impact of MFRS 2 on the Group's future earnings and shall take into consideration such impact in the allocation and granting of SIS Options to the Eligible Persons.

5.1.5 Convertible Securities

As at the LPD, the Company has the following Convertible Securities:

- (i) 44,876,900 SIS Options that may be granted and exercised into 44,876,900 Shares pursuant to the maximum allowable amount under the SIS;
- (ii) 60,000,000 Warrants A which may be exercised into 60,000,000 Shares; and
- (iii) such number of RCPS (up to 500,000,000 RCPS) that may be issued and converted into 319,652,881 Shares pursuant to the maximum conversion shares threshold under the Issuance of RCPS.

In accordance with the Deed Poll, the By-laws and the terms of the RCPS, the Proposed Allocation is not expected to result in any adjustment to the exercise price or conversion price and outstanding number of the Convertible Securities.

5.2 Proposed Change of Name

The Proposed Change of Name will not have any effect on the issued share capital of the Company, NA, gearing, earnings and EPS of the Group as well as the substantial Shareholders' shareholding of the Company.

6. APPROVALS REQUIRED AND CONDITIONALITY

The Proposed Allocation and Proposed Change of Name are subject to the following approvals being obtained:

- (i) Shareholders at an EGM to be convened; and
- (ii) any other relevant authorities and/or parties, if required.

The Proposed Allocation and Proposed Change of Name are not inter-conditional and not conditional upon any other corporate exercise undertaken or to be undertaken by the Company.

7. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

7.1 Proposed Allocation

All the Directors as set out in Section 2 of this Announcement are deemed interested in the Proposed Allocation in respect of their allocations as well as allocations to persons connected to them under the SIS ("**Interested Directors**").

As at the LPD, save for Law Ngia Meng, the Interested Directors do not hold any Shares. The shareholding of Law Ngia Meng in the Company is as follows:

Director	Direct		Indirect	
	No. of Shares	(1)%	No. of Shares	(1)%
Law Ngia Meng	2,081,300	0.65	-	-

Note:

(1) Computed based on 319,179,719 Vertice Shares as at the LPD.

The Interested Directors will abstain from all Board deliberations and voting in respect of their own specific allocation of the SIS Options as well as the allocations to any persons connected with them.

Further, each of the Interested Directors will abstain from voting, in respect of their direct and/or indirect shareholdings in the Company, if any, on the resolutions pertaining to their respective allocation of the SIS Options as well as the allocations to any persons connected to them under the Proposed Allocation at an EGM to be convened.

Each of the Interested Directors will ensure that persons connected to them will abstain from voting in respect of their direct and/or indirect shareholdings, if any, on the resolutions pertaining to their respective allocation of the SIS Options as well as the allocations to any persons connected to them under the Proposed Allocation at an EGM to be convened.

7.2 Proposed Change of Name

None of the Directors and/or major shareholders and/or the chief executive of the Company and/or persons connected with them has any interest, either direct or indirect, in the Proposed Change of Name.

8. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances, the Proposed Allocation and Proposed Change of Name are expected to be completed by the 4th quarter of 2022.

9. APPLICATION TO THE AUTHORITIES

The application to the relevant authorities for the Proposed Allocation shall be made within 2 months from the date of this Announcement.

10. DIRECTORS' STATEMENT

The Board (save for the Interested Directors in respect of their own allocation under the Proposed Allocation), having considered all aspects of the Proposed Allocation and Proposed Change of Name, including but not limited to the rationale and effects of the Proposed Allocation and Proposed Change of Name is of the opinion that the Proposed Allocation and Proposed Change of Name are in the best interests of the Company.

This Announcement is dated 14 July 2022.

APPENDIX I - DEFINITIONS

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

Announcement	:	This announcement in relation to the Extension of SIS, Proposed Allocation and Proposed Change of Name
Board	:	Board of Directors of Vertice
Bursa Securities	:	Bursa Malaysia Securities Berhad (200301033577 (635998-W))
By-laws	:	By-laws governing the SIS, as amended, modified and supplemented from time to time in accordance with the provisions of the By-laws
CCM	:	Companies Commission of Malaysia
Convertible Securities	:	Collectively, the Warrants A, SIS Options and RCPS
Date of Offer	:	The date of the letter in which an Offer is made by the SIS Committee to the Eligible Persons to participate in the SIS
Deed Poll	:	Deed poll constituting the Warrants A dated 11 March 2014
Director(s)	:	Directors of the Company for the time being and shall have the meaning ascribed to it in Section 2(1) of the Companies Act 2016 and Section 2(1) of the Capital Markets and Services Act 2007 and Director shall be construed accordingly
EGM	:	Extraordinary general meeting
Eligible Directors	:	Directors (including executive and non-executive Directors, independent or otherwise) of the Group who fulfil the eligibility criteria for participation in the SIS as set out in the By-laws
Eligible Employees	:	Employees of the Group who fulfil the eligibility criteria for participation in the SIS as set out in the By-laws
Eligible Persons	:	Collectively, the Eligible Directors and the Eligible Employees
EPS	:	Earnings per Share
Exercise Price	:	The price at which a Grantee shall be entitled to subscribe for each new Share from the Company upon the exercise of the SIS Options, as specified in the Offer and as may be adjusted in accordance with the provisions of the By-laws
Extension of SIS	:	The extension of the duration of the SIS for a further period of 5 years commencing from 18 December 2022 to 17 December 2027 pursuant to By-laws 23.2 of the SIS
Grantee	:	An Eligible Person who has accepted an Offer in the manner provided in the By-laws
Interested Person	Eligible :	An Eligible Person who is also a Director, major Shareholder or chief executive of Vertice or a holding company of Vertice or a person connected with any of them
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

APPENDIX I – DEFINITIONS (CONT'D)

Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	30 June 2022, being the latest practicable date prior to this Announcement
NA	:	Net assets
Offer	:	Written offer of SIS Options at the discretion of the SIS Committee, to an Eligible Person from time to time within the duration of the SIS
Proposed Allocation	:	Proposed allocation of SIS Options pursuant to the SIS to the Directors
Proposed Change of Name	:	Proposed change of name of the Company from “Vertice Berhad” to “Infraharta Group Berhad”
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	:	The existing share issuance scheme of the Company which took effect on 18 December 2017 and is effective for a period of 10 years following the Extension of SIS
SIS Committee	:	The committee appointed and authorised by the Board from time to time to administer the SIS in accordance with the By-laws, comprising such number of Directors and/or other persons identified and appointed from time to time by the Board
SIS Options	:	The right of a Grantee to subscribe for new Shares, during the SIS Option Period, at the Exercise Price pursuant to an Offer duly accepted by the Grantee
SIS Option Period	:	The period commencing from the effective date and expiring on (i) the last day of the duration of the SIS, or (ii) such other date as stipulated by the SIS Committee in the Offer, or (iii) on the date of termination or expiry of the SIS as provided in the By-laws
Vertice or the Company	:	Vertice Berhad (200701007217 (765218-V))
Vertice Group or the Group	:	Collectively, Vertice and its subsidiaries
Vertice Shares or Shares	:	Ordinary shares in Vertice
VWAP	:	Volume weighted average price
Warrants A	:	Existing warrants 2014/2024 of the Company. Each warrant holder is entitled to the right to subscribe for 1 Share at an exercise price of RM0.50