

VERTICE'S JV AWARDED PENANG MEGA INFRASTRUCTURE PACKAGE 2 WORTH RM815 MILLION

Award for the Construction of a 5.7KM By-pass Road on the Penang Island

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Vertice Berhad (“Vertice” or “the Group”) is pleased to announce that its 50:50 joint venture (“JV”) company together with **Vizione Holdings Berhad (“Vizione”), Buildmarque Construction Sdn Bhd (“Buildmarque”)** has received a letter of award of contract from Consortium Zenith Construction Sdn Bhd (“Consortium Zenith”) to undertake the construction works for **Package 2** of the Penang Mega Infrastructure Project (“the Award”) worth a contract sum of approximately **Ringgit Malaysia Eight Hundred and Fifteen Million Only (RM815,000,000.00)**.

The Award is for the construction of a 5.7-kilometer by-pass from Bandar Baru Ayer Itam connecting to Lebuhraya Tun Dr. Lim Chong Eu. The construction period shall be for a period of thirty-six (36) months from the commencement date or from the date of issuance of the notice to proceed, subject to any extension of time granted under the construction contract.

On 14 August 2018, Vertice and Vizione announced their agreement to incorporate a JV company (“JVA”) in the ratio of **fifty percent (50%) each**, respectively. Further to the announcement, on 15 August 2018, Vertice incorporated a wholly-owned subsidiary, Buildmarque, which shall be principally involved in the construction business. The parties of the JVA are in the midst of arranging for the subscription of ordinary shares in Buildmarque (*currently, a wholly-owned subsidiary of Vertice*) such that each party will eventually hold 50% equity interest in Buildmarque.

Consortium Zenith of which Vertice has a 13.2% investment ownership had in 2012 participated in an open tender by the Penang state government and were among the 60 rival bids for the mega infrastructure project. Consortium Zenith was awarded the contract due to its competent technical and competitive financial bid of RM6.3 billion which comprises of:

- **Package 1:** Major Road 1 - a paired road to the existing northern coastal road from Tanjong Bungah to Teluk Bahang
- **Package 2:** Major Road 2 - a by-pass from Bandar Baru Ayer Itam connecting to Lebuhraya Tun Dr. Lim Chong Eu
- **Package 3:** Major Road 3 - a by-pass from Persiaran Gurney connecting to Lebuhraya Tun Dr. Lim Chong Eu (“Major Road 3”)

- **Package 4:** Penang Undersea Tunnel - the design, construction, operation, management and maintenance of a third link (undersea tunnel) from Penang Island (Persiaran Gurney) to the mainland (Seberang Perai North District)

The Penang mega infrastructure project was an initiative by the state government to relieve the traffic congestion on the island with the proposed alternative routes, interconnecting roads, by-passes and interchanges including tunnels within the island and to the mainland. With the construction of the four packages, the traffic congestion in Penang is expected to be abated.

“We are delighted to have been awarded Package 2 from Consortium Zenith for the by-pass works from Bandar Baru Ayer Itam connecting to Lebuhraya Tun Dr. Lim Chong Eu. The Penang island has been over-congested for too long with the rapid development of the state and we believe that the four packages consisting of the roads and the undersea tunnel will help to relieve the traffic congestion. We are confident that we will be able to complete the project within the stipulated requirement and time to the satisfaction of Consortium Zenith. This sizeable project will certainly contribute to the revenue and earnings of the Group for the next thirty-six months,” said the **Board of Directors of Vertice**.

ABOUT VERTICE BERHAD

Vertice Berhad (“Vertice” or “the Group”), formally known as Voir Holdings Berhad, is a diversified group with retail fashion and construction in its business portfolio. Vertice has been in the local retail fashion industry for over 30 years and successfully carries renowned brands such as Voir and South China Sea.

In late 2016, the Group began diversifying its income streams by venturing into the construction industry through its wholly-owned subsidiary, Vertice Construction Sdn Bhd. The Group is currently focused on growing its construction division by strengthening its project team, timely execution of existing projects and securing new awards.

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