



**DAGANG NeXCHANGE BERHAD (“DNeX” OR THE “COMPANY”)  
- LETTER OF AWARD**

**INTRODUCTION**

DNeX is pleased to announce that its wholly-owned subsidiary, DNEX SOLUTIONS SDN. BHD. (“DNEX SOLUTIONS” or the “Contractor”) had on 30 September 2020, accepted a letter of award dated 15 September 2020 (the “LOA”) from the Government of Malaysia (the “Government”) for a contract known as “*Perluasan dan Pengukuhan Perkhidmatan Pusat Data Sektor Awam (PDSA) Fasa II : Perolehan Perkhidmatan Pembangunan Infrastruktur Pusat Data MyGovCloud@PDSA Sentral di Aras B1, Blok D6, Kompleks D, Putrajaya – Tender MAMPU/Perkhidmatan/3/2020*” (the “Contract”) for a contract sum of RM47,174,717.00 (inclusive of 6% service tax).

The details of the Contract are as follows:

- (a) Contract period : 37 months (13 months implementation).
- (b) Date of commencement : 22 September 2020.
- (c) Date of completion : 23 October 2023.

**INFORMATION ON DNEX SOLUTIONS**

DNEX SOLUTIONS is a company incorporated in Malaysia and having its registered office at Dagang Net Tower, Block 10 (A & B) Corporate Park, Star Central, Lingkaran Cyberpoint Timur, Cyber 12, 63000 Cyberjaya, Selangor. It is principally engaged in providing expertise in IT project management and consultancy, supply of (ICT) hardware equipment, maintenance and asset management.

The directors of DNEX SOLUTIONS are Zaridan bin Ridzuan and Zahid bin Mohammad Sham. The issued and paid-up share capital of DNEX SOLUTIONS is RM26,500,000.00 comprising 26,500,000 ordinary shares.

**SALIENT TERMS**

The salient terms of the LOA are as follows:

- (i) Upon the Contractor’s acknowledgement of receipt of the LOA, a binding contract is formed between the Government and the Contractor. A contract document shall be signed immediately by incorporating the terms of the tender document and all the terms in Appendix A of the LOA. Until the contract document is signed, the LOA shall continue to bind the parties.
- (ii) The Contractor shall submit an irrevocable performance bond in the sum of RM786,245.28 to the Government within 30 days from the acknowledgement of receipt of the LOA.
- (iii) Upon issuance of the instructions by the Government, the Contractor is required to perform the services within the stipulated time and the quality of services shall be up to the satisfaction and meet the requirements of the Government. In the event the Contractor is unable to perform the services within the time and/or quality stipulated, the Government reserves the right to revoke any instructions and/or impose Liquidated & Ascertained Damages (LAD) as stipulated in Appendix A of the LOA.
- (iv) The Contractor is required to implement the Professional Training And Education For Growing Entrepreneurs (PROTÉGÉ) programme as stipulated by the Government based on the contract sum with a minimum number of 20 PROTÉGÉ participants, without any cost to the Government.

**Dagang NeXchange Berhad** (10039-P)

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- (v) The Government reserves the right to revoke the LOA in the event the Contractor fails to comply with any terms/instructions in the tender document and among other things, the stipulated scope of services and/or Service Level Agreement.

#### **FINANCIAL EFFECT**

Barring any unforeseen circumstances, the Contract is expected to contribute positively to the consolidated earnings, earnings per share and net assets per share of DNeX Group throughout the contract period. The Contract will not have effect on the issued and paid-up share capital, substantial shareholders' shareholding and gearing of the Company.

#### **RISK FACTORS**

The risks associated with the Contract include but are not limited to execution risks such as availability of the necessary equipment, software, skilled manpower and other relevant supports in relation to the Contract, increase in costs of implementation and changes in political and regulatory environment.

#### **DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS**

None of the Directors or major shareholders or persons connected with the Directors or major shareholders of the Company has any interest, direct or indirect, in the Contract.

#### **DIRECTORS' STATEMENT**

The Board of Directors of DNeX is of the opinion that the acceptance of the Contract is in the best interest of DNeX Group.

This announcement is dated 30 September 2020.