

**DAGANG NeXCHANGE BERHAD (“DNeX” OR THE “COMPANY”)**

**- CONTRACT FOR MAIN LAY WORK OF LUWUK-MOROWALI-KENDARI (“LUMORI”) AND LABUAN BAJO-RABA SUBMARINE CABLE COMMUNICATION SYSTEM (“SKKL”) LINKS BETWEEN PT INFRASTRUKTUR TELEKOMUNIKASI INDONESIA AND DTI-SMS CONSORTIUM**

**1. INTRODUCTION**

We refer to our earlier announcements dated 11 September 2020, 25 January 2021 and 26 January 2021 in relation to a consortium agreement between PT DNeX Telco Indonesia (“PT DTI”), a 95% owned subsidiary of PT Dagang Samudera Utama (“PT DSH”), with PT Samudera Mbiantu Sesami (“PT SMS”) and PT Infrastruktur Telekomunikasi Indonesia (“TelkomInfra”) to form a consortium for the deployment, management, maintenance and repair as well as other value added works for the Maintenance Support Sistem Komunikasi Kabel Laut within and outside the territory of Indonesia. Dagang Net Technologies Sdn. Bhd., which is a wholly owned subsidiary of DNeX, is 49% registered owner of PT DSH.

DNeX is pleased to announce that PT DTI and PT SMS (hereinafter referred to as the “DTI-SMS Consortium”) had on 18 March 2021, entered into a Contract for Main Lay Work of LUMORI and SKKL (“Contract”) with TelkomInfra to record the terms and conditions in performing the work under the Contract and all other transactions and matters incidental or in connection therewith.

In this matter, DTI-SMS Consortium is duly represented by PT DTI as the DTI-SMS Consortium Leader and hereinafter referred to as the “Partner”. TelkomInfra and Partner hereinafter shall be collectively referred to as the “Parties” and individually as the “Party”.

**2. INFORMATION ON PT DTI**

PT DTI is a limited liability company duly established and existing under the law of the Republic of Indonesia and having its address at The East, 35th floor, Jl. DR Ide Anak Agung Gde Agung Kav E 3.2 No. 1, Jakarta Selatan, 12950. It is principally engaged in the field of underwater and salvage works which operates within the entire territory of the Republic of Indonesia and operate an Indonesian flagged DP-2 cable ship, namely CS DNeX Pacific Link.

PT DTI currently has a paid-up capital of Indonesian Rupiah (Rp) 2,500,000,000 or USD 167,875 comprising 2500 shares of Rp 1,000,000 each.

As of the date of this announcement, the shareholding structure of PT DTI are as follows:

No.	Name of Shareholders	Shares Value Rp	Percentage (%)
1.	PT Dagang Samudera Utama	2,375,000,000	95
2.	Margareta Novi Ursula	125,000,000	5
	Total	2,500,000,000	100

The Commissioner and Director of PT DTI are Bambang Sugiarto and Margareta Novi Ursula, respectively.

### 3. INFORMATION ON TELKOMINFRA

TelkomInfra is a limited liability company duly established and existing under the law of the Republic of Indonesia and having its address at Gedung Mugi Griya Lt. 5 R.502 Jl. M.T. Haryono, Kav.10, Jakarta 12810. It is principally engaged in the field of telecommunications infrastructure which operates within the entire territory of the Republic of Indonesia with the ability in, among others, project management and maintenance of telecommunications infrastructure on land, sea and air.

TelkomInfra is a wholly-owned subsidiary of PT Telkom Indonesia Tbk (“**Telkom Indonesia**”).

The Directors of TelkomInfra are :

- a) Bpk. Bob Apriawan – Direktur Utama
- b) Bpk. Bastian Sembiring – Direktur Bisnis
- c) Bpk. Eko Harijadi – Direktur Keuangan /PGS Direktur Operasi
- d) Bpk Era Kamali Nasution – Direktur Operasi

### 4. INFORMATION OF PT SMS

PT SMS is a limited liability company duly established and existing under the law of the Republic of Indonesia and having its address at Gedung Samudera Indonesia, Lantai 5, Jl. Letjen S. Parman Kav 35, Slipi, Jakarta Barat, 11480. It is principally engaged in a field of salvage and underwater works.

As of the date of this announcement, the shareholding structure of PT SMS are as follows:

No.	Name of Shareholders	Shares Value Rp	Percentage (%)
1.	PT Samudera Indonesia Tangguh	498,000,000	99.6
2.	PT Samudera Wadah Mitra	2,000,000	0.4
	Total	500,000,000	100

### 5. SALIENT TERMS OF THE CONTRACT

#### 5.1 Scope of Work

TelkomInfra assigns the work to Partner, and Partner accepts such assignment of the work from TelkomInfra and undertakes to perform such work, in accordance with the scope of work, Technical Specifications and the amount of needed goods and/or services, the volume and unit of each item of work in accordance with the design details (“**Bill of Quantity**”) and the result of Design Review Meeting (“**DRM**”), as well as to deliver to TelkomInfra in a complete (whole) condition within a period of 62.6 business days in accordance with the plan of work (“**POW**”) agreed by the Parties which includes the time for the performance and completion of the work in its entirety (“**Work Completion Period**”) specified in the Contract and ready and fit for use/operation by TelkomInfra.

The scope of work may also include other works that may not be specified one by one but according to their nature constitute Partner’s responsibility to carry them out so that the work can be completed in accordance with the quantity and quality as well as within the Work Completion Period specified in the Contract.

5.2 Terms of Performance

In performing the work under the Contract, the Partner must comply with the following:

- (a) Technical Specification prescribed therein, plan drawing and its details including any amendments thereto agreed by the Parties to the extent that they are in accordance with the Contract;
- (b) All directions and instructions under the Contract shall be given by TelkomInfra in writing at the time of the performance of the work;
- (c) Observe local environmental system and environmental management in accordance with prevailing laws and regulations; and
- (d) Regulations and other provisions related to the performance of the Contract issued by the government of the Republic of Indonesia, whether the central government, local government, or other competent government agencies in Indonesia (“**Government**”).

5.3 Contract Term and Work Completion Period

- (a) The Contract shall be valid from the date of the letter of intent dated 8 March 2021 until 30 calendar days following the expiry of the Work Completion Period (“**Contract Term**”).
- (b) The Partner undertakes and covenants to perform the work in accordance with the scope of work as referred to in the Contract and to deliver the same to TelkomInfra in an entirely complete condition within a period of 62.6 business days in accordance with the POW agreed by the Parties with the following provisions:

No.	Description	Volume (calendar days)
1.	Main Lay Services Link Labuan Bajo-Raba	14.56
2.	Main Lay Services Link LUMORI	48.04

5.4 Extension of Work Completion Period

The Work Completion Period referred to in paragraph 5.3(b) above may be extended if:

- (a) Facilities and obligations which constitute TelkomInfra’s responsibility under the Contract have not been made available in a timely manner; or
- (b) There is a written order from TelkomInfra to temporarily suspend the performance of the work; or
- (c) Occurrence of a Force Majeure event which led to delays in work.

5.5 Performance Bond

- 5.5.1 The Partner is obliged to deliver a performance bond to TelkomInfra within no later than 14 calendar days from the execution of the Contract by the Parties, in the form of bank guarantee from a Government bank or national private bank or foreign private bank or surety bond issued by an insurance company (“**Performance Bond**”) acceptable to TelkomInfra in the amount of 5% of the Work Price stated herein, which shall be delivered to TelkomInfra c.q. VP of Financial Operations.

- 5.5.2 If in the performance of the work under the Contract, there is an increase in the amount of Work Price from the predetermined amount under the Contract, the Partner is obliged to deliver an additional Performance Bond in the amount of 5% of the Work Price for the relevant additional work or by amending the Performance Bond that has been previously delivered so that the amount of the Performance Bond delivered to TelkomInfra becomes 5% of the Work Price which is inclusive of the additional work within no later than 14 calendar days from the date of TelkomInfra's approval of said additional work.

## 5.6 Work Price

- 5.6.1 The Work Price consists of the Bill of Quantity as set out in the Contract with a total of Rp43,486,529,800 or Ringgit Malaysia equivalent of RM12.18 million based on exchange rate of RM280 for Rp1,000,000 as of 18 March 2021.
- 5.6.2 The Bill of Quantity set out in the Contract has a validity period until the expiry of the Contract Term and cannot be reviewed until the last obligation of the Partner has been fulfilled.
- 5.6.3 In the event that there is an additional work for which no unit price is provided in the Contract (new item), then the unit price for the additional work (new item) shall be negotiated and agreed upon by the Parties, which shall then be stated in a minutes of agreement of additional work price.

## 6. **EFFECT OF THE CONTRACT**

### 6.1 Issued and paid-up share capital

The Contract will not have any effect on the issued and paid-up share capital of DNeX as well as the shareholdings of its substantial shareholders as it does not involve issuance of new ordinary shares in DNeX.

### 6.2 Net assets ("NA") and gearing

The Contract will not have any material impact on the NA of DNeX Group for the financial year ending 30 June 2021. The Board envisages that the Contract will potentially improve the NA of DNeX Group once the potential benefits from the Contract is materialised. There is no effect on the gearing of DNeX Group as no bank borrowings to be arranged for the Contract.

### 6.3 Earnings and Earnings per share ("EPS")

Barring any unforeseen circumstances, the Contract is expected to contribute positively to the earnings and EPS of DNeX Group for the financial year ending 30 June 2021, and its future overall earnings once the potential benefits from the Contract is further materialised.

## 7. **RISK FACTORS**

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

## 8. **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.

**9. DIRECTORS' STATEMENT**

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

**10. APPROVAL REQUIRED**

The execution of the Contract is not subject to the approval of the shareholders of DNeX or any relevant authorities.

**11. DOCUMENTS FOR INSPECTION**

The Contract is available for inspection during normal business hours from Mondays to Fridays (except public holidays) at the registered office of DNeX at Dagang Net Tower, Block 10 (A & B) Corporate Park, Star Central, Lingkaran Cyberpoint Timur, Cyber 12, 63000 Cyberjaya, Selangor for a period of 3 months from the date of this announcement.

This announcement is dated 19 March 2021.