

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

1. INTRODUCTION

Reference is made to DNeX’s announcement dated 11 September 2020 in relation to the memorandum of understanding dated 11 September 2020 (“**MOU**”) signed between PT DNeX Telco Indonesia (“**PT DTI**”), a 95% owned subsidiary of PT Dagang Samudera Utama (“**PT DSH**”) and PT Infrastruktur Telekomunikasi Indonesia (“**TelkomInfra**”). Dagang Net Technologies Sdn. Bhd. (“**Dagang Net**”) is 49% registered owner of PT DSH.

Dagang Net is a wholly owned subsidiary of DNeX.

DNeX is pleased to announce that a consortium formed between PT DTI and PT Samudera Mbiantu Sesami (“**PT SMS**”) (hereinafter referred to as the “**DTI-SMS Consortium**”) had on 25 January 2021, entered into a Consortium Agreement with TelkomInfra (the “**Consortium Agreement**”) 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 (“**Project**”).

DTI-SMS Consortium and TelkomInfra hereinafter shall be collectively referred to as the “**Consortium Members**” and individually as the “**Consortium Member**”.

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 OF THE COMPANIES INVOLVED IN THE CONSORTIUM AGREEMENT

3.1 Information of 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

3.2 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

4. **DETAILS OF THE CONSORTIUM AGREEMENT**

4.1 The Consortium Members will establish a consortium to be known as **TELKOM INFRA MARINE** (hereinafter referred to as the ("**Consortium**") for the purpose of:-

- a) to determine the Project's scope of work;
- b) to determine the work plan between the Consortium Members in the implementation of the Project;
- c) to determine the rights and obligations of each Consortium Members;
- d) to implement the Project and to provide work results in accordance with the service level agreement and other requirements as specified by the Project client pursuant to any agreement entered into with the Project client.

5. **SALIENT TERMS**

5.1 The salient terms of the Consortium Agreement are as follows:

- (a) The Consortium Members agreed to appoint TelkomInfra as the "**Consortium Leader**" to represent and act for and on behalf of the Consortium.
- (b) The Consortium Leader will be responsible among others for the procurement and acquisition of dry plant and wet plant and logistic arrangement, licensing arrangement for installation permit, environmental permit, water location permit, cable/pipe crossing permit, depot readiness & services and project management.
- (c) DTI-SMS Consortium will be responsible readiness of the vessel as cable ship including readiness of marine crew, project crew and cable tools onboard including Trenching Remote Operated Vehicle system, repeatered and repeaterless submarine cable system on the effective date of agreement with client, submersible plants material, cable re-engineering, cable

audit; cable scrap, cable recovery, fuel supply and bunkering management; supply chain Management and project reporting

- (d) the Consortium Agreement will bind the Consortium Members and none of them shall vary or seek to vary the same without the written consent of the other Consortium Member.
- (e) None of the Consortium Members and their associated/affiliated companies shall during the term of the Consortium Agreement, without the written consent of the other Consortium Member, either directly or indirectly, alone or together with any third party, prepare or submit or take part in any preparation or submission of a tender proposal for the Project.
- (f) Should the Consortium be awarded the Project by the client, the Consortium Members shall forthwith enter into a partnership agreement which shall define in detail the contractual relationship between the Consortium Members for the performance of the Project.
- (g) The Consortium will be established for a period of 3 (three) years ("**Consortium Term**") from the date of the Consortium Agreement or for a period during which the Project with the client is ongoing to the extent that such Project is agreed within the term of the Consortium Agreement and may be terminated by the mutual consent of the Consortium Members.
- (h) The Consortium Term may be extended for the next 3 (three) years mutually by the Consortium Members subject to performance and fulfillment of key performance indicators and quality of standard to be agreed by the Consortium Members.
- (i) Parties agree that in the event that either party wishes to extend or does not wish to extend the term of the Consortium Agreement, such party shall notify the other party by providing 6 (six) months' prior written notice.
- (j) A party may terminate the Consortium Agreement in the event any of the Consortium Members is declared insolvent and/or liquidated or change of Indonesia Government regulations which causes one of the Consortium Members to be unable to perform its obligations under the Consortium Agreement or which hinders the formation of and implementation of any obligations by the Consortium in implementing the Project.
- (k) The governing law of the Consortium Agreement is Indonesian Law and any dispute will be referred to the Indonesian National Arbitration Centre (*Badan Arbitrase Nasional Indonesia*).

6. EFFECT OF THE CONSORTIUM AGREEMENT

6.1 Issued and paid-up share capital

The Consortium Agreement 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 Consortium Agreement will not have any material impact on the NA of DNeX Group for the financial year ending 31 December 2021. The Board envisages that the Consortium Agreement will potentially improve the NA of DNeX Group once the potential benefits from the Consortium Agreement is materialised. There is no effect on the gearing of DNeX Group as no bank borrowings to be arranged for the Consortium Agreement.

6.3 Earnings and Earnings per share (“EPS”)

The Consortium Agreement will not have any material impact on the earnings and EPS of DNeX Group for the financial year ending 31 December 2021. Notwithstanding that, the Board envisages that the Consortium Agreement is expected to contribute positively to the overall earnings as well as the EPS of DNeX Group once the potential benefits from the Consortium Agreement is materialised.

7. RISK FACTORS

7.1 The risks associated with the Consortium Agreement include but are not limited to securing the Project 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 Project, increase in costs of implementation and changes in political and regulatory environment.

8. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

8.1 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 Consortium Agreement or the Project.

9. DIRECTORS' STATEMENT

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

10. APPROVAL REQUIRED

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

11. DOCUMENTS FOR INSPECTION

11.1 The Consortium Agreement 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 25 January 2021.