

OTHERS EXTENSION OF CONTRACT PERIOD AND ADDITIONAL CONTRACT VALUE FOR SUPPLY, DELIVERY, INSTALLATION, TESTING, COMMISSIONING, POST ACCEPTANCE MAINTENANCE AND SUPPORT SERVICES OF NEW IP CORE AND SERVICE EDGE FOR TELEKOM MALAYSIA BERHAD

MESINIAGA BERHAD

Type	Announcement
Subject	OTHERS
Description	EXTENSION OF CONTRACT PERIOD AND ADDITIONAL CONTRACT VALUE FOR SUPPLY, DELIVERY, INSTALLATION, TESTING, COMMISSIONING, POST ACCEPTANCE MAINTENANCE AND SUPPORT SERVICES OF NEW IP CORE AND SERVICE EDGE FOR TELEKOM MALAYSIA BERHAD

1. Introduction

With reference to our earlier announcement dated 12 June 2014, Mesiniaga Berhad ("The Company") is pleased to announce that the Company has accepted an Additional Letter of Award from Telekom Malaysia Berhad for the extension of contract period and additional contract value for 'Supply, Delivery, Installation, Testing, Commissioning, Post Acceptance Maintenance and Support Services of New IP Core and Service Edge'.

2. The Contract Value

The value of the supplementary agreement shall be increased with an aggregate amount of not exceeding RM145,930,520 (Ringgit Malaysia : One Hundred Forty Five Million Nine Hundred Thirty Thousand Five Hundred and Twenty).

3. Duration of the Project

With the award of the supplementary agreement, the expiry of the contract is now extended from 11 June 2019 to 31 May 2020.

4. The Effect on Net Assets of the Group

The proposed transaction will not have any material effect on the Company's Net Assets for the financial year ending 31 December 2016 but is expected to contribute positively to the Company's earnings over the period of Contract.

5. The risks in relation to the contract.

The risks relate mainly to meeting deadlines imposed by the customer and meeting the terms of the service level commitments. The Company has however taken the necessary steps to protect itself in mitigating the risks.

6. Directors' and Substantial Shareholders' Interest

None of the Directors or substantial shareholders or any person connected to the Directors or substantial shareholders of Mesiniaga Berhad have any interest, either direct or indirect in the above Contract.

7. Statement of the Directors

The Board of Directors of the Company is of the opinion that the above additional Contract is in the ordinary course of business and is in the best interests of the Company.

8. Financial effects

In addition to the information disclosed, the Company would like to inform that the Additional Letter of Award will have a positive effect on the earnings per share. Nevertheless, the Contract will not likely to effect on the dividend policy, gearing, share capital and the substantial shareholders' shareholdings of the Company for the financial year ending 31st December 2016.