

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, solicitor, accountant, bank manager or other professional advisers immediately.

Bursa Malaysia Securities Berhad takes no responsibility for the contents of this Circular and makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



DAGANG NeXCHANGE BERHAD
Registration No. 197001000738 (10039-P)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE

- I. **PROPOSED BONUS ISSUE OF UP TO 1,214,838,309 FREE WARRANTS IN DAGANG NEXCHANGE BERHAD ("DNeX" OR THE "COMPANY") ("WARRANT(S)") ON THE BASIS OF 1 WARRANT FOR EVERY 3 ORDINARY SHARES IN DNeX ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER ("PROPOSED BONUS ISSUE OF WARRANTS"); AND**
- II. **PROPOSED VARIATION OF THE COMPANY'S EXISTING EMPLOYEE SHARE OPTION SCHEME ("EXISTING ESOS") OF UP TO 5% OF THE ISSUED SHARE CAPITAL OF THE COMPANY (EXCLUDING TREASURY SHARES OF DNeX, IF ANY) AT ANY POINT IN TIME DURING THE DURATION OF THE EXISTING ESOS, INTO A LONG-TERM INCENTIVE PLAN ("PROPOSED LTIP"), WHICH COMPRISES A PROPOSED EMPLOYEE SHARE OPTION SCHEME AND A PROPOSED SHARE GRANT PLAN, OF UP TO 5% OF THE ISSUED SHARE CAPITAL OF THE COMPANY (EXCLUDING TREASURY SHARES OF DNeX, IF ANY) AT ANY POINT IN TIME DURING THE DURATION OF THE PROPOSED LTIP, FOR ELIGIBLE EMPLOYEES AND DIRECTORS (EXECUTIVE AND NON-EXECUTIVE) OF DNeX AND ITS SUBSIDIARIES, WHICH ARE NOT DORMANT, WHO FULFIL THE ELIGIBILITY CRITERIA AS SET OUT IN THE BYLAWS OF THE PROPOSED LTIP ("PROPOSED VARIATION")**

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser

UOBKayHian

UOB Kay Hian Securities (M) Sdn Bhd

Registration No. 199001003423 (194990-K)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of the Extraordinary General Meeting ("**EGM**") of DNeX, which is scheduled to be conducted at The Summit 2, Level M1, The Vertical, Connexion Conference & Event Centre, Bangsar South City, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia on Thursday, 26 June 2025 at 11.00 a.m. (or immediately following the conclusion or adjournment of the Fifty-Fourth Annual General Meeting of the Company scheduled to be held on the same day at 10.00 a.m., whichever is later), together with the Form of Proxy, are enclosed.

As a member of DNeX, you are entitled to attend, participate and vote at the EGM. You may appoint a proxy or proxies to attend, participate and vote on your behalf. If you wish to do so, the completed and signed Form of Proxy should be lodged at the office of the Share Registrar of the Company, GAP Advisory Sdn Bhd, at E-10-4, Megan Avenue 1, 189, Jalan Tun Razak, 50400 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia or email to ir.shareregistry@gapadvisory.my not less than forty-eight (48) hours before the time appointed for holding the EGM or any adjournment thereof. The lodging of the Form of Proxy shall not preclude you from attending, participating and voting in person at the EGM should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : Tuesday, 24 June 2025 at 11.00am
Date and time of the EGM : Thursday, 26 June 2025 at 11.00am

This Circular is dated 12 June 2025

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:-

"Act"	:	The Companies Act 2016
"Board"	:	The Board of Directors of DNeX
"Bursa Depository"	:	Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
"Bursa Securities"	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
"Circular"	:	This circular dated 12 June 2025
"Deed Poll"	:	The deed poll governing the Warrants and governing the rights of the Warrants Holder to be executed by the Company
"DNeX" or the "Company"	:	Dagang NeXchange Berhad (Registration No. 197001000738 (10039-P))
"DNeX Group" or the "Group"	:	DNeX and its subsidiaries, collectively
"DNeX Share(s)" or "Share(s)"	:	Ordinary share(s) of DNeX
"Director(s)"	:	A natural person who holds a directorship in an executive or a non-executive capacity in any company within the Group, and shall have the meaning given in Section 2(1) of the Act and Section 2(1) of the Capital Markets and Services Act 2007
"Effective Date"	:	The effective date of implementation of the Existing ESOS (i.e. 6 April 2021)
"EGM"	:	The forthcoming extraordinary general meeting of DNeX
"Eligible Person"	:	Any director or employee of a corporation within the Participating DNeX Group who fulfil the eligibility criteria as set out in the LTIP Bylaws
"Entitled Shareholders"	:	The shareholders of DNeX whose names appear in the Company's Record of Depositors on the Entitlement Date
"Entitlement Date"	:	A date to be determined and announced later by the Board, on which the names of the Entitled Shareholders must appear in the Company's Record of Depositors as at 5.00 p.m. in order to participate in the Proposed Bonus Issue of Warrants
"EPS"	:	Earnings per share
"ESOS"	:	Employees' share option scheme
"ESOS Committee"	:	The committee comprising such persons as may be duly appointed and authorised by the Board to administer the Existing ESOS in accordance with the Existing ESOS Bylaws

DEFINITIONS

"ESOS Date of Offer"	:	The date of the ESOS Offer Letter, which is issued to the Eligible Persons, which serves as the reference date for determining the Subscription Price under the Proposed ESOS
"ESOS Grant"	:	The contract constituted upon the acceptance by a Selected Person of an ESOS Offer made under the Proposed ESOS in accordance with the terms and conditions of the LTIP Bylaws, conferring the right to subscribe for new DNeX Shares at the Subscription Price
"ESOS Grantee(s)"	:	The Selected Person(s) who has accepted the ESOS Offer made under the Proposed ESOS in accordance with the terms and conditions of the LTIP Bylaws, thereby becoming entitled to subscribe for new DNeX Shares pursuant to an ESOS Grant
"ESOS Offer"	:	Offer of ESOS Options, by the LTIP Committee to Eligible Persons at the award date to subscribe for new DNeX Shares at the Subscription Price, subject to the terms and conditions of the LTIP Bylaws, pursuant to the Proposed ESOS
"ESOS Offer Letter"	:	The written document issued to Eligible Persons by or on behalf of the LTIP Committee, setting out the terms of the ESOS Offer to subscribe for new DNeX Shares under the Proposed ESOS.
"ESOS Option(s)"	:	ESOS options granted to ESOS Grantees to subscribe for new DNeX Shares at a pre-determined Subscription Price pursuant to the Proposed ESOS
"Existing ESOS"	:	The Company's existing employees' share option scheme, which was implemented on 6 April 2021 with a duration of 5 years until 5 April 2026 with an option to extend the duration provided that the aggregate duration shall not exceed 10 years, and whereby the maximum number of new DNeX Shares to be issued pursuant to the exercise of the Existing ESOS Options shall not in aggregate exceed 5% of the total issued Shares during the duration of the Existing ESOS
"Existing ESOS Bylaws"	:	The bylaws governing the rules, terms and conditions of the Existing ESOS as may be modified, varied and/ or amended from time to time
"Existing ESOS Date of Offer"	:	The date on which an offer of Existing ESOS Options is made by the ESOS Committee in writing to Eligible Persons, pursuant to the Existing ESOS
"Existing ESOS Option(s)"	:	ESOS options granted to eligible persons to subscribe for new DNeX Shares at a pre-determined option price pursuant to the Existing ESOS
"FPE"	:	Financial period ended/ ending
"FYE"	:	Financial year ended/ ending
"Grants"	:	ESOS Grants and SGP Awards, collectively
"IDR"	:	Indonesian Rupiah
"Listing Requirements"	:	Main Market Listing Requirements of Bursa Securities
"LPD"	:	28 May 2025, being the latest practicable date prior to the date of this Circular

DEFINITIONS

"LTIP Bylaws"	:	The bylaws governing the rules, terms and conditions of Proposed LTIP as may be modified, varied and/ or amended from time to time, the draft of which is set out in Appendix II of this Circular
"LTIP Committee"	:	The reconstituted ESOS Committee comprising such persons as may be duly appointed and authorised by the Board, to administer the Proposed LTIP with terms of reference to be formulated and approved by the Board
"LTIP Grantee(s):"	:	SGP Grantee(s) and ESOS Grantee(s), collectively
"Maximum Scenario"	:	Assuming the maximum number of new DNeX Shares, representing 5% of the total issued share capital of DNeX, is issued pursuant to the full exercise of options under the Existing ESOS prior to the implementation of the Proposals
"Minimum Scenario"	:	Assuming none of the outstanding Existing ESOS Options are exercised and no further Existing ESOS Options are granted or exercised prior to the implementation of the Proposals
"NA"	:	Net assets attributable to owners of the Company
"Official List"	:	A list specifying all securities listed on the Main Market of Bursa Securities
"Participating DNeX Group"	:	DNeX and its subsidiaries incorporated in Malaysia, which are not dormant, and any subsidiary, which are not dormant incorporated or acquired during the duration of the Proposed LTIP
"Proposals"	:	The Proposed Bonus Issue of Warrants and the Proposed Variation, collectively
"Proposed Allocation"	:	Any specific allocation of Grants to any Director, major shareholder (who is a director/ employee of the Group), chief executive of the Company, or persons connected to them, who qualify as Eligible Persons, for which the approval of the shareholders of DNeX shareholders will be sought in the forthcoming EGM
"Proposed Bonus Issue of Warrants"	:	Proposed bonus issue of up to 1,214,838,309 free Warrants (under the Maximum Scenario) on the basis of 1 Warrant for every 3 existing DNeX Shares held by the Entitled Shareholders on the Entitlement Date
"Proposed ESOS"	:	Proposed ESOS for Eligible Persons, who fulfil the eligibility criteria as set out in the LTIP Bylaws, a component of and pursuant to the Proposed LTIP
"Proposed LTIP"	:	Proposed long-term incentive plan, comprising the Proposed ESOS and Proposed SGP, of up to 5% of the issued share capital of the Company (excluding treasury shares of DNeX, if any) at any point in time during the duration of the Proposed LTIP, for Eligible Persons, who fulfil the eligibility criteria as set out in the LTIP Bylaws, pursuant to the Proposed Variation

DEFINITIONS

"Proposed SGP"	:	Proposed employee share grant plan for Eligible Persons who fulfil the eligibility criteria as set out in the LTIP Bylaws, being a component of and pursuant to the Proposed LTIP. The awards under the Proposed SGP will not involve the issuance of new DNeX Shares and shall be satisfied via the methods set out in Section 3.2(i) of this Circular
"Proposed Variation"	:	Proposed variation of the Company's Existing ESOS into the Proposed LTIP, which comprises the Proposed ESOS and the Proposed SGP, of up to 5% of the issued share capital of the Company (excluding treasury shares of DNeX, if any) at any point in time during the duration of the Proposed LTIP, for Eligible Persons, who fulfil the eligibility criteria as set out in the LTIP Bylaws
"Record of Depositors"	:	A record of securities holders established by Bursa Depository under the rules of Bursa Depository pursuant to the Securities Industry (Central Depositories) Act, 1991
"RM" and "sen"	:	Ringgit Malaysia and sen, respectively
"Selected Person"	:	Eligible Person to whom an ESOS Offer and/ or offer of SGP Award is made pursuant to the Proposed LTIP
"SGP Awards"	:	The awards of DNeX Shares granted in writing by the LTIP Committee to Selected Persons under the Proposed SGP, in accordance to the offer letters for SGP Awards accepted by such Selected Persons
"SGP Grantee(s)"	:	The Selected Person(s) who has accepted the SGP Awards under the Proposed SGP in accordance with the terms and conditions of the LTIP Bylaws, thereby becoming entitled to receive DNeX Shares subject to fulfilling any vesting conditions as determined by the LTIP Committee
"Subscription Price"	:	The price at which an ESOS Grantee is entitled to subscribe for new DNeX Shares under an ESOS Grant, as prescribed by the LTIP Committee in accordance with the terms and conditions of the LTIP Bylaws
"UOBKH" or the "Principal Adviser"	:	UOB Kay Hian Securities (M) Sdn Bhd (Registration No: 199001003423 (194990-K))
"USD"	:	United States Dollar
"VWAP"	:	Volume weighted average market price
"Warrant(s)"	:	Free warrants in DNeX to be issued pursuant to the Proposed Bonus Issue of Warrants
"Warrant Holder(s)"	:	The holders of the Warrants

All references to **"you"** in this Circular are made to shareholders who are entitled to attend and vote at the EGM.

Unless specifically referred to, words denoting or incorporating the singular shall, where applicable include the plural and vice versa and words denoting or incorporating the masculine gender shall where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include corporations, unless otherwise specified.

DEFINITIONS

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day and date in this Circular shall be a reference to Malaysian time and date, respectively, unless otherwise specified. Any discrepancy in the figures included in this Circular between the amounts stated, actual figures and the totals thereof are due to rounding adjustments.

Unless otherwise stated, the following exchange rates of USD1.00: RM4.2270 and IDR100: RM0.0259, being Bank Negara Malaysia's prevailing middle rates as at 5.00 pm on the LPD, has been applied in this Circular for illustration purposes.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

TABLE OF CONTENTS

	PAGE
EXECUTIVE SUMMARY	vii
CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSALS CONTAINING:-	
1. INTRODUCTION	1
2. PROPOSED BONUS ISSUE OF WARRANTS	2
3. PROPOSED VARIATION	5
4. RATIONALE AND JUSTIFICATIONS FOR THE PROPOSALS	23
5. OTHER FUND RAISING EXERCISES IN THE PAST 12 MONTHS	24
6. INDUSTRY OVERVIEW, OUTLOOK AND FUTURE PROSPECTS OF THE GROUP	25
7. EFFECTS OF THE PROPOSALS	30
8. HISTORICAL SHARE PRICES	36
9. APPROVALS REQUIRED/ OBTAINED	36
10. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/ OR PERSONS CONNECTED WITH THEM	37
11. DIRECTORS' STATEMENT AND RECOMMENDATION	39
12. ESTIMATED TIMEFRAME FOR COMPLETION AND TENTATIVE TIMETABLE FOR IMPLEMENTATION	39
13. PROPOSALS ANNOUNCED BUT PENDING COMPLETION	40
14. EGM	40
15. FURTHER INFORMATION	40
APPENDIX	
I. INDICATIVE SALIENT TERMS OF THE DEED POLL	41
II. DRAFT LTIP BYLAWS	44
III. FURTHER INFORMATION	79
NOTICE OF EGM	ENCLOSED
ADMINISTRATIVE GUIDE	ENCLOSED
FORM OF PROXY	ENCLOSED

EXECUTIVE SUMMARY

This Executive Summary highlights only the salient information of the Proposals. Shareholders are advised to read this Circular in its entirety for further details and not to rely solely on this Executive Summary in arriving at a decision on the Proposals before voting at the EGM.

Key information	Description	Reference to Circular																					
Summary of the Proposals	<p><u>Proposed Bonus Issue of Warrants</u></p> <p>The Proposed Bonus Issue of Warrants entails the issuance of up to 1,214,838,309 free Warrants (under the Maximum Scenario), on the basis of 1 free Warrant for every 3 DNeX Shares held by the Entitled Shareholders on the Entitlement Date.</p> <p>The Warrants will be issued at no cost to the Entitled Shareholders and the exercise price of the Warrants will be determined and announced at a later date by the Board after the receipt of all relevant approvals but before the announcement of the Entitlement Date.</p>	Section 2																					
	<p><u>Proposed Variation</u></p> <p>The Proposed Variation involves the variation of the Company's Existing ESOS into the Proposed LTIP and, consequently, the amending of the Existing ESOS Bylaws into the LTIP Bylaws to allow for the granting of both ESOS options and Share grants within the existing 5% limit of the issued share capital of DNeX as approved under the Existing ESOS. Accordingly, the Existing ESOS would be varied into the Proposed LTIP comprising both a Proposed ESOS and a Proposed SGP.</p> <p>The Proposed LTIP is intended to enhance the Company's long-term incentive structure by providing flexibility to grant, under a single unified scheme governed by the LTIP Bylaws, either: (i) options to subscribe for new DNeX Shares (i.e. the Proposed ESOS); or (ii) awards of existing DNeX Shares (i.e. the Proposed SGP), subject to the same 5% limit of the issued share capital of DNeX currently applicable to the Existing ESOS.</p> <p>For ease of reference, a summary of the key features between the Existing ESOS and the Proposed LTIP is set out below:-</p>	Section 3																					
	<table border="1"> <thead> <tr> <th></th> <th>Existing ESOS</th> <th>Proposed LTIP</th> </tr> </thead> <tbody> <tr> <td>Type of incentives</td> <td>ESOS Options only</td> <td>ESOS Options and SGP Awards</td> </tr> <tr> <td>Maximum scheme size</td> <td>Up to 5% of issued share capital</td> <td>Up to 5% of issued share capital</td> </tr> <tr> <td>Allotment</td> <td>Determined by ESOS Committee based on performance, seniority, service</td> <td>Determined by LTIP Committee based on performance, seniority, service. LTIP Committee may also impose vesting or staggered grants</td> </tr> <tr> <td>Eligibility</td> <td>Full-time confirmed employees and Directors meeting criteria</td> <td>Full-time confirmed employees and Directors meeting criteria</td> </tr> <tr> <td>Duration</td> <td>5 years from 6 April 2021, expiring on 5 April 2026, extendable up to 10 years total</td> <td>Continues from 6 April 2021, expiring on 5 April 2026, with the same extension mechanism</td> </tr> <tr> <td>Subscription Price</td> <td>Based on 5-day weighted average price of DNeX Shares with up to 10% discount</td> <td>Based on 5-day weighted average price of DNeX Shares with up to 10% discount for the Proposed ESOS, while SGP Awards are granted at no cash consideration</td> </tr> </tbody> </table>		Existing ESOS	Proposed LTIP	Type of incentives	ESOS Options only	ESOS Options and SGP Awards	Maximum scheme size	Up to 5% of issued share capital	Up to 5% of issued share capital	Allotment	Determined by ESOS Committee based on performance, seniority, service	Determined by LTIP Committee based on performance, seniority, service. LTIP Committee may also impose vesting or staggered grants	Eligibility	Full-time confirmed employees and Directors meeting criteria	Full-time confirmed employees and Directors meeting criteria	Duration	5 years from 6 April 2021, expiring on 5 April 2026, extendable up to 10 years total	Continues from 6 April 2021, expiring on 5 April 2026, with the same extension mechanism	Subscription Price	Based on 5-day weighted average price of DNeX Shares with up to 10% discount	Based on 5-day weighted average price of DNeX Shares with up to 10% discount for the Proposed ESOS, while SGP Awards are granted at no cash consideration	
	Existing ESOS	Proposed LTIP																					
Type of incentives	ESOS Options only	ESOS Options and SGP Awards																					
Maximum scheme size	Up to 5% of issued share capital	Up to 5% of issued share capital																					
Allotment	Determined by ESOS Committee based on performance, seniority, service	Determined by LTIP Committee based on performance, seniority, service. LTIP Committee may also impose vesting or staggered grants																					
Eligibility	Full-time confirmed employees and Directors meeting criteria	Full-time confirmed employees and Directors meeting criteria																					
Duration	5 years from 6 April 2021, expiring on 5 April 2026, extendable up to 10 years total	Continues from 6 April 2021, expiring on 5 April 2026, with the same extension mechanism																					
Subscription Price	Based on 5-day weighted average price of DNeX Shares with up to 10% discount	Based on 5-day weighted average price of DNeX Shares with up to 10% discount for the Proposed ESOS, while SGP Awards are granted at no cash consideration																					

Key information	Description	Reference to Circular
-----------------	-------------	-----------------------

	Existing ESOS	Proposed LTIP
Ranking of the Shares	New Shares issued rank pari passu	New Shares issued rank pari passu
Retention period	1-year restriction on sale/transfer from date of offer for Non-Executive Directors	1-year restriction on sale/transfer from date of offer for Non-Executive Directors

Rationale and justification

Proposed Bonus Issue of Warrants

Section 4

The Proposed Bonus Issue of Warrants aims to reward the existing shareholders of the Company for their loyalty and continuing support, by providing an option to further increase their equity participation in the Company at a pre-determined price over the tenure of the Warrants and to benefit from the future growth and any potential capital appreciation of the Shares arising therefrom.

Proposed Variation

The Proposed Variation is intended to enhance the Existing ESOS without the need to terminate it, by enhancing and expanding its scope and to allow for the grant of shares under the Proposed SGP. The Proposed Variation is to be implemented within the existing 5% limit of the total number of issued shares of the Company as approved under the Existing ESOS. By introducing an additional form of equity incentive without increasing the overall limit or establishing a separate scheme, the Company aims to improve flexibility in structuring long-term incentives while maintaining the shareholder approval already in place.

Approvals required/obtained and inter-conditional

The Proposals are subject to the following approvals:-

Section 9

- (i) Bursa Securities, which was obtained on 11 June 2025;
- (ii) Shareholders of the Company at the EGM; and
- (iii) Any other relevant authorities and/ or parties, if required

The Proposed Bonus Issue of Warrants and the Proposed Variation are not conditional upon each other. However, the Proposed Allocation is conditional upon the Proposed Variation but not vice versa.

For the avoidance of doubt, the Proposals are not conditional upon any other proposals undertaken or to be undertaken by the Company.

Interested parties

None of the Directors, major shareholders, chief executive of DNeX and/ or persons connected with them have any interest, whether direct or indirect, in the Proposed Bonus Issue of Warrants, save for their respective entitlements as shareholders of the Company under the Proposals, which are also available to all other Entitled Shareholders of the Company on a pro-rata basis.

Section 10

However, under the Proposed Variation and Proposed LTIP, all the Directors of DNeX are entitled to participate in the Proposed LTIP and are therefore deemed interested in the Proposed LTIP to the extent of their respective Proposed Allocations, if any, as well as Proposed Allocations to persons connected with them, if any, under the Proposed LTIP.

Accordingly, all the Directors of DNeX who are entitled to participate in the Proposed LTIP have abstained and will continue to abstain from deliberating, expressing an opinion and making any recommendations at all relevant Board meeting(s) in relation to their respective Proposed Allocations as well as Proposed Allocations to persons connected to them, if any, under the Proposed LTIP.

Key information	Description	Reference to Circular
	<p>The Directors of DNeX will also abstain from voting in respect of their respective direct and/ or indirect shareholdings in the Company on the ordinary resolutions pertaining to the Proposed Variation and the Proposed Allocations to them as well as the Proposed Allocations to persons connected to them, if any, under the Proposed Variation to be tabled at the EGM of the Company to be convened. The Directors of DNeX will also undertake to ensure that persons connected to them, if any, will abstain from voting in respect of their direct and/ or indirect shareholdings in the Company on the ordinary resolutions pertaining to the Proposed Variation and the Proposed Allocations to such Directors and chief executive, as well as persons connected to them, if any, under the Proposed Variation to be tabled at the EGM of the Company to be convened.</p>	
<p>Board's recommendation</p>	<p>The Board, after having considered all aspects of the Proposals, is of the opinion that the Proposals are in the best interest of the Company.</p> <p>Accordingly, where the resolutions do not pertain to the respective Proposed Allocations of the Directors or to persons connected to them under the Proposed LTIP, the Board recommends that you vote in favour of the resolutions pertaining to the Proposals and Proposed Allocation to be table at the forthcoming EGM.</p>	<p>Section 11</p>



DAGANG NeXCHANGE BERHAD
Registration No. 197001000738 (10039-P)

Registered Office

E-10-4, Megan Avenue 1
189, Jalan Tun Razak
50400 Kuala Lumpur
Wilayah Persekutuan
Malaysia

12 June 2025

Board of Directors

Tan Sri Dato' Sri Haji Syed Zainal Abidin bin Syed Mohamed Tahir (*Non-Independent Non-Executive Chairman*)

Datuk Johar bin Che Mat (*Senior Independent Non-Executive Director*)

Dato' Robert Fisher (*Independent Non-Executive Director*)

Chandramohan Subramaniam (*Independent Non-Executive Director*)

Zalina binti Shafer (*Independent Non-Executive Director*)

Haslinda bt Hussein (*Independent Non-Executive Director*)

Dr. Chen, Wei-Ming (*Non-Independent Non-Executive Director*)

Mohd Isa bin Ismail (*Executive Director*)

To: The shareholders of DNeX

Dear Sir/ Madam,

- I. PROPOSED BONUS ISSUE OF WARRANTS; AND**
- II. PROPOSED VARIATION**

(COLLECTIVELY REFERRED TO AS THE "PROPOSALS")

1. INTRODUCTION

On 9 May 2025, UOBKH had, on behalf of the Board, announced that the Company proposed to undertake the following:-

- i. Proposed bonus issue of up to 1,214,838,309 Warrants on the basis of 1 Warrant for every 3 DNeX Shares on the Entitlement Date; and
- ii. Proposed variation of the Company's Existing ESOS of up to 5% of the issued share capital of the Company (excluding treasury shares of DNeX, if any) at any point in time during the duration of the Existing ESOS, into the Proposed LTIP, which comprises the Proposed ESOS and the Proposed SGP, of up to 5% of the issued share capital of the Company (excluding treasury shares of DNeX, if any) at any point in time during the duration of the Proposed LTIP, for Eligible Persons, who fulfil the eligibility criteria as set out in the LTIP Bylaws.

On 11 June 2025, UOBKH had, on behalf of the Board, announced that Bursa Securities had on even date resolved to approve the following:-

- (i) admission of the Warrants to the Official List of Bursa Securities; and

- (ii) listing and quotation of up to 1,214,838,309 Warrants to be issued pursuant to the Proposed Bonus Issue of Warrants and up to 1,214,838,309 new DNeX Shares to be issued arising from the exercise of the Warrants on the Main Market of Bursa Securities,

subject to the conditions as disclosed in **Section 9** of this Circular.

For clarification, the Company is seeking the approval of its shareholders for the Proposed Variation as the Existing ESOS Bylaws is intended to be materially amended and replaced with the LTIP Bylaws to reflect the new structure of the Proposed LTIP, which will comprise both the Proposed ESOS and Proposed SGP.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED BONUS ISSUE OF WARRANTS AS WELL AS TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED BONUS ISSUE OF WARRANTS TO BE TABLED AT THE EGM. THE NOTICE OF EGM AND THE FORM OF PROXY ARE ENCLOSED TOGETHER WITH THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDIX CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED BONUS ISSUE OF WARRANTS TO BE TABLED AT THE EGM.

2. PROPOSED BONUS ISSUE OF WARRANTS

2.1 Basis and number of Warrants to be issued

The Proposed Bonus Issue of Warrants entails the issuance of free Warrants, on the basis of 1 Warrant for every 3 Shares held by the Entitled Shareholders whose names appear in the Company's Record of Depositors on the Entitlement Date. The actual number of Warrants to be issued will depend on the actual number of Shares in issue on the Entitlement Date.

As the LPD, the issued share capital of DNeX is RM1.13 billion comprising 3,471,964,456 DNeX Shares. Further, the Company does not retain any treasury shares as at the LPD.

In addition, the Company has implemented an Existing ESOS, under which the maximum number of new DNeX Shares to be issued pursuant to the exercise of the Existing ESOS Options shall not in aggregate exceed 5% of the total issued Shares (excluding treasury shares, if any) at any point during the duration of the Existing ESOS.

Further, as at the LPD, a total of 1,047,750 new DNeX Shares have been issued pursuant to the exercise of Existing ESOS Options and there are 45,602,400 outstanding Existing ESOS Options that have been granted but not exercised (with further details set out in **Section 3.1** of this Circular).

Additionally, on 30 May 2025, the Company announced that it had on even date offered an additional 45,750,000 Existing ESOS Options at an option price of RM0.2663 to eligible employees of the Group pursuant to the Existing ESOS ("**5th Offer**"). Subsequently, on 5 June 2025, the Company announced that it had on even date offered a further 3,000,000 Existing ESOS Options at an option price of RM0.2610 to eligible employees of the Group pursuant to the Existing ESOS ("**6th Offer**"). The acceptance periods for the 5th Offer and 6th Offer is currently ongoing, being 21 days from the offer date (i.e. 30 May 2025 and 5 June 2025, respectively), which would end after the date of this Circular. As such, the exact number of options to be accepted and granted from the 5th Offer and 6th Offer cannot be determined at this juncture.

For the avoidance of doubt, while the Company has the intention to grant further Existing ESOS Options, the timing of such grants cannot be definitively determined at this juncture and may take place either before or after the completion of the Proposals, depending on the Group's internal human resource considerations, eligibility assessments, and other factors to be determined by the Board and/ or ESOS Committee.

For illustrative purposes only, throughout this Circular, the effects of the Proposals shall be illustrated based on the following 2 scenarios:-

Minimum Scenario : Assuming none of the outstanding Existing ESOS Options are exercised and no further Existing ESOS Options are granted or exercised prior to the implementation of the Proposals.

Accordingly, a total of up to 1,157,321,485 Warrants may be issued pursuant under the Minimum Scenario. In addition, assuming all the Warrants are exercised, a total of up to 1,157,321,485 new Shares may be issued therefrom.

Maximum Scenario : Assuming the maximum number of new DNeX Shares, representing 5% of the total issued share capital of DNeX¹, is issued pursuant to the full exercise of options under the Existing ESOS prior to the implementation of the Proposals.

For clarity, as at the LPD, a total of 1,047,750 Shares have already been issued pursuant to the exercise of Existing ESOS Options. As such, for illustration purposes, the balance of the 5% limit is assumed to be fully granted and exercised, resulting in the illustrative issuance of an additional 172,550,472 Shares² and an enlarged share capital of 3,644,514,928 Shares.

Accordingly, a total of up to 1,214,838,309 Warrants may be issued pursuant under the Maximum Scenario. In addition, assuming all the Warrants are exercised, a total of up to 1,214,838,309 new Shares may be issued therefrom.

Notes:-

¹ For information purposes, the Maximum Scenario assumes the full utilisation of the 5% limit under the Existing ESOS to present a maximum dilution scenario, taking into account the ongoing implementation of the Existing ESOS and the Company's intention to grant further ESOS Options prior to the completion of the Proposals.

² The additional 172,550,472 DNeX Shares assumed to be issued under the Maximum Scenario includes the 45,602,400 outstanding Existing ESOS Options as at the LPD, and has been computed as follows:-

	No. of Shares
5% of the total issued Shares of DNeX as at LPD (i.e. 3,471,964,456 DNeX Shares)	173,598,222
Less: DNeX Shares already issued pursuant to the Existing ESOS	(1,047,750)
Total number of DNeX Shares assumed to be issued under the Maximum Scenario	172,550,472

The entitlement basis for the Proposed Bonus Issue of Warrants was determined after taking into consideration the following:-

- (i) compliance with Paragraph 6.50 of the Listing Requirements, which states that the number of new Shares that will arise from the exercise of all outstanding convertible securities, shall not exceed 50% of the total number of issued shares (excluding treasury shares and before the exercise of the convertible equity securities) at all times;

- (ii) dilutive effects arising from the full exercise of Warrants on the consolidated EPS of the Company; and
- (iii) amount of proceeds the Company could potentially raise as and when the Warrants are exercised during the exercise period of the Warrants.

For information purposes, the Proposed Bonus Issue of Warrants is in compliance with Paragraph 6.50 of the Listing Requirements, as the total number of new DNeX Shares which will arise from the exercise of all Warrants to be issued will not exceed 50% of the total number of issued Shares at all times after the Proposed Bonus Issue of Warrants, as illustrated below:-

		Minimum Scenario	Maximum Scenario
		No. of Shares	No. of Shares
Total number of DNeX Shares	(A)	3,471,964,456	3,644,514,928
Warrants	(B)	1,157,321,485	1,214,838,309
% of DNeX Shares	(B) / (A)	33.33%	33.33%

Fractional entitlements of the Warrants, if any, shall be disregarded and/ or dealt with by the Board in its absolute discretion as it may deem fit, expedient, and in the best interest of the Company.

Further, the Proposed Bonus Issue of Warrants is not intended to be implemented in stages over a period of time.

The indicative salient terms of the Warrants are set out in **Appendix I** of this Circular.

2.2 Basis of determining the issue price and exercise price of the Warrants

The Warrants will be issued at no cost to the Entitled Shareholders based on their respective shareholdings in the Company on the Entitlement Date.

The Board has fixed the exercise price of the Warrants at RM0.19 per Warrant after taking into consideration, amongst others, the following:-

- i. The exercise price of RM0.19 per Warrant represents a discount of approximately 29.6% to the 5-day VWAP up to and including 8 May 2025, being the last trading day prior to the price-fixing date of the Warrants (i.e. date of the announcement of the Proposals), of RM0.27 per DNeX Share; and
- ii. The Warrants are exercisable at any time for a tenure of 5 years from the date of issuance of the Warrants which may provide the shareholders an alternative to participate and trade in the equity derivative of DNeX over the tenure of Warrants and potentially realize a capital gain in the event of any Share price appreciation;

The Board is of the view that the exercise of the Warrants may raise additional funds for the Group in the future, as well as improve the trading liquidity of DNeX Shares with the increase in the number of DNeX Shares as and when the Warrants are exercised.

2.3 Ranking of the Warrants and new DNeX Shares to be issued arising from the exercise of the Warrants

The Warrant Holders will not be entitled to any voting rights or right to participate in any form of distribution other than on winding up, compromise or arrangement of DNeX as set out in the Deed Poll to be executed by the Company and/ or offer of further securities in DNeX until and unless such Warrant Holders exercise their Warrants into new DNeX Shares.

The new DNeX Shares to be issued pursuant to the exercise of the Warrants will, upon allotment and issuance, rank equally in all respects with the existing DNeX Shares, save and except that the new DNeX Shares will not be entitled to any dividends, rights, allotments and/ or any other forms of distribution where the entitlement date precedes the relevant date of allotment and issuance of the new DNeX Shares.

2.4 Listing and quotation of the Warrants and new DNeX Shares to be issued arising from the exercise of the Warrants

Bursa Securities had, vide its letter dated 11 June 2025, approved the admission of the Warrants to the Official List of Bursa Securities and the listing and quotation of up to 1,214,838,309 Warrants to be issued pursuant to the Proposed Bonus Issue of Warrants and 1,214,838,309 new DNeX Shares to be issued arising from the exercise of the Warrants on the Main Market of Bursa Securities.

2.5 Utilisation of proceeds

The Proposed Bonus Issue of Warrants will not raise any immediate funds for the Company as the Warrants will be issued at no cost to the Entitled Shareholders. The amount of proceeds to be raised would depend on the actual number of Warrants exercised during the exercise period. As such, the exact quantum to be raised cannot be determined at this juncture.

Assuming the full exercise of up to 1,214,838,309 Warrants at the exercise price of RM0.19 each, the gross proceeds to be raised will be approximately RM230.82 million under the Maximum Scenario. Such proceeds to be raised, as and when the Warrants are exercised, are expected to fund the future working capital requirements of DNeX Group. The proceeds to be used for working capital are subject to the operational requirements of the Group at the point of utilisation, and thus the actual timeframe and breakdown are not determinable at this juncture. Nevertheless, the Board anticipates that any proceeds to be raised from the exercise of the Warrants will be utilised by the Group within 12 months from the date of receipt of such proceeds.

Pending the utilisation of proceeds raised as and when the Warrants are exercised, such proceeds will be placed in deposits with financial institutions or short-term money market instruments as the Board may deem fit. The interest derived from the deposits with the financial institutions or any gain arising from the short-term money market instruments will also be used as the working capital of the Group.

3. PROPOSED VARIATION

The Proposed Variation involves the variation of the Company's Existing ESOS into the Proposed LTIP and, consequently, the amending of the Existing ESOS Bylaws into the LTIP Bylaws to allow for the granting of both ESOS Options and SGP Grants within the existing 5% limit of the issued share capital of DNeX as approved under the Existing ESOS. Accordingly, the Existing ESOS would be varied into the Proposed LTIP comprising both a Proposed ESOS and a Proposed SGP.

The Proposed LTIP is intended to enhance the Company's long-term incentive structure by providing flexibility to grant, under a single unified scheme governed by the LTIP Bylaws, either: (i) options to subscribe for new DNeX Shares (i.e. the Proposed ESOS); or (ii) awards of existing DNeX Shares (i.e. the Proposed SGP), subject to the same 5% limit of the issued share capital of DNeX currently applicable to the Existing ESOS.

The Company intends to implement the Proposed Variation by amending the Existing ESOS Bylaws into the LTIP Bylaws. Accordingly, the Company proposes to seek the approval of its shareholders for the Proposed Variation at an EGM to be convened.

3.1 Details of the Existing ESOS

On 8 February 2021, the Company announced that it proposed to undertake the establishment of the Existing ESOS, which involved the granting of new options to subscribe for DNeX Shares to eligible executive directors, non-executive directors, and employees of DNeX and its non-dormant subsidiaries, subject to the eligibility criteria set out in the Existing ESOS Bylaws. The maximum number of new DNeX Shares that may be allotted pursuant to the Existing ESOS shall not exceed 5% of the total number of issued shares of the Company (excluding treasury shares) at any point in time over the duration of the Existing ESOS. For information purposes, the Existing ESOS was established as a replacement for the Company's previous ESOS implemented on 25 August 2016 and originally set to expire on 24 August 2021 ("**ESOS 2016/2021**"), which was terminated as part of the same proposal.

Further, on 25 February 2021, the Company announced that Bursa Securities had vide its letter dated on even date, resolved to approve the listing and quotation for such number of new DNeX Shares, representing up to 5% of the total number of issued DNeX Shares (excluding treasury shares, if any) to be issued pursuant to the Existing ESOS on the Main Market of Bursa Securities.

A circular containing the details of the Existing ESOS was issued to the shareholders of DNeX on 15 March 2021. Subsequently, DNeX obtained approval for the Existing ESOS from its shareholders at an EGM held on 1 April 2021. The Existing ESOS was implemented on 6 April 2021 and shall remain in force for 5 years from 6 April 2021 (i.e. the implementation date), expiring on 5 April 2026. In accordance with the Existing ESOS Bylaws, the Board may, at its absolute discretion and without further shareholder approval, extend the Existing ESOS by up to 5 additional years, provided the total duration of the Existing ESOS does not exceed 10 years from its effective date or such longer period as permitted by the relevant authorities.

At the time of termination of the ESOS 2016/2021 on 8 March 2021, a total of 31,664,721 options had been exercised and 845,379 options remained unexercised, representing approximately 30.16% of the total available pool (based on 5% of the issued share capital of DNeX at the time of termination of approximately 2.16 billion Shares), comprising 29.38% exercised options and 0.78% unexercised options. The ESOS 2016/2021 was terminated and replaced as it had limited remaining headroom and a relatively small number of options outstanding. In comparison, under the Existing ESOS, only 1,047,750 Existing ESOS Options have been exercised while 45,602,400 outstanding Existing ESOS Options remain unexercised. This represents 0.60% exercised Existing ESOS Options and 26.27% outstanding Existing ESOS Options, from the available 5% pool, based on the issued share capital of DNeX of approximately 3.47 billion Shares as at the LPD.

Further, as set out in **Section 2.1** of this Circular, the Company had, on 30 May 2025 and 5 June 2025, made a new 5th Offer and 6th Offer of options under the Existing ESOS, involving an additional 45,750,000 Existing ESOS Options offered at a subscription price of RM0.2663 for the 5th Offer, and an additional 3,000,000 Existing ESOS Options offered at a subscription price of RM0.2610 for the 6th Offer, to eligible employees of the Group. The acceptance period for the 5th Offer and 6th Offer is currently ongoing, being 21 days from the offer date. As such, the number of options that will ultimately be accepted and granted under the 5th Offer and 6th Offer cannot be confirmed at this juncture. Nevertheless, given that the 5th Offer and 6th Offer subscription price of RM0.2663 and RM0.2610, respectively, is currently "in the money", it may provide meaningful incentive value to eligible employees. As such, the Board is of the view that terminating the Existing ESOS at this stage could be counterproductive and may negatively impact employee morale and retention.

Accordingly, the Existing ESOS has a substantial number of unexercised Existing ESOS Options outstanding, including potentially from the 5th Offer and 6th Offer. In view of this, the Board is of the opinion that termination of the Existing ESOS would be premature, and that it is more appropriate to undertake the Proposed Variation, thereby maintaining the outstanding Existing ESOS Options and the headroom already approved under the Existing ESOS.

Further, terminating the Existing ESOS at this juncture would require the holders of outstanding Existing ESOS Options to forfeit their unexercised options without any replacement or compensation, effectively cancelling their incentive awards. As set out in **Section 3.2.1** of this Circular, DNeX's management may consider proposing a mechanism to allow affected Existing ESOS Options holders to voluntarily swap their unexercised options for new options under the Proposed LTIP at a predetermined exchange ratio. However, this would not be feasible if the Existing ESOS were to be terminated. Accordingly, maintaining the Existing ESOS through the Proposed Variation ensures continuity of incentive alignment and preserves the rights of Existing ESOS Options holders.

Additionally, the Company has the intention to extend the duration of the Existing ESOS, which will be varied into the Proposed LTIP upon shareholders' approval at the forthcoming EGM. This will be tabled to the Board for consideration closer to the expiry of the initial 5-year term on 6 April 2026, in accordance with the terms of the LTIP Bylaws. The LTIP Committee shall furnish the relevant notification to all LTIP Grantees, and the Company shall make the necessary announcements to Bursa Securities prior to the proposed extension, subject to compliance with the Listing Requirements and other relevant regulations.

As at the LPD, 45,602,400 Existing ESOS Options remain outstanding and unexercised, with further details set out as follows:-

	1st offer	2nd offer	3rd offer	4th offer	Total
Existing ESOS Date of Offer	12 April 2021	19 May 2021	1 March 2022	1 March 2023	
Subscription Price (RM)	0.755	0.635	1.0323	0.580	
Options accepted	13,987,000	10,000,000	39,290,300	8,260,000	71,537,300
Options exercised	1,047,750	-	-	-	1,047,750
Options lapsed	2,446,500	-	20,224,250	2,216,400	24,887,150^{*1}
Options issued but not exercised	10,492,750	10,000,000	19,066,050	6,043,600	45,602,400

Note:-

^{*1} A total of 24,887,150 Existing ESOS Options granted under the 1st to 4th offers have lapsed as at the LPD, primarily due to the cessation of employment of option holders (i.e. resignations and expiry of employment contracts) in accordance with the provisions of the Existing ESOS Bylaws.

Accordingly, a total of 1,047,750 Existing ESOS Options have been exercised and 45,602,400 remain outstanding and unexercised as at the LPD. For information purposes, the 45,602,400 outstanding Existing ESOS Options represents approximately:-

- 63.75% of the total 71,537,300 Existing ESOS Options accepted to date under the Existing ESOS; and
- 1.31% of the Company's total issued share capital of 3,471,964,456 DNeX Shares as at the LPD.

Further, the total Shares issued and total Existing ESOS Options issued but not exercised throughout the 1st offer until the 4th offer, broken down by category of recipient, are set out below:-

Existing ESOS Options	Total no. of ESOS Options	Executive Directors and Non-Executive Directors	Senior management	Other eligible employees
Options exercised	1,047,750	838,800	208,950	-
Outstanding options issued but not exercised	45,602,400	31,185,450	3,999,000	10,417,950
Total	46,650,150	32,024,250	4,207,950	10,417,950

For the avoidance of doubt, based on the 5% limit of the Company's total issued shares (excluding treasury shares) allowable under the Existing ESOS at any given time, and after taking into account the number of options already exercised and those still outstanding, the Company currently has a remaining capacity of 126,948,071 Existing ESOS Options that may be granted or reallocated under the Existing ESOS over its remaining duration.

For information purposes, the salient terms of the Existing ESOS are set out below:-

3.1.1 Maximum number of DNeX Shares available under the Existing ESOS

The maximum number of new DNeX Shares, which may be allotted and/ or issued pursuant to the exercise of the Existing ESOS Options that may be granted under the Existing ESOS shall not exceed in aggregate 5% of the total number of issued shares of the Company (excluding treasury shares, if any) at any point in time when an offer is made throughout the duration of the Existing ESOS.

3.1.2 Basis of allotment and maximum allowable allotment

The aggregate number of new DNeX Shares comprised in the Existing ESOS Options to be offered and allotted to an Eligible Person in accordance with the Existing ESOS shall be determined at the sole and absolute discretion of the ESOS Committee after taking into consideration, amongst other factors, the Eligible Person's performance, seniority, number of years in service and such other factors that the ESOS Committee may deem relevant in its discretion, subject to the following:-

- (i) that the number of Existing ESOS Options made available under the Existing ESOS shall not exceed the amount stipulated in **Section 3.1.1** of this Circular;
- (ii) the allocation to any individual Eligible Person who, either individually or collectively, through persons connected with him, holds 20% or more in the total number of issued shares of DNeX (excluding treasury shares, if any), does not exceed 10% of the total number of DNeX Shares available under the Existing ESOS at any point in time when an offer is made;

- (iii) the executive Directors, non-executive Directors and employees of the Participating DNeX Group do not participate in the voting, deliberation or discussion of their own allocation of Existing ESOS Options as well as allocation to persons connected with them, if any, under the Existing ESOS; and
- (iv) that at any one time during the duration of the Existing ESOS, not more than 50% of the total number of Existing ESOS Options available under the Existing ESOS could be allocated, in aggregate to the executive Directors, non-executive Directors and senior management of the Participating Group who are Eligible Persons.

3.1.3 Eligibility

Subject to the discretion of the ESOS Committee, only the Eligible Persons who fulfil the following conditions as at the Existing ESOS Date of Offer shall be eligible to participate in the Existing ESOS and qualify for selection by the ESOS Committee:-

- a) in respect of an employee, the employee must fulfil the following conditions:-
 - (i) the employee shall have attained the age of 18 years on the Existing ESOS Date of Offer and neither an undischarged bankrupt nor subject to any bankruptcy proceedings;
 - (ii) the employee is employed on a full-time basis and is on the payroll of any company within the Participating DNeX Group and his/ her employment has been confirmed or such employee is serving in a specific designation under an employment contract for a fixed duration of not less than 1 year;
 - (iii) the employee is not a participant of any other ESOS implemented by any company within the Group Participating DNeX which is in force for the time being; and
 - (iv) the employee has fulfilled any other eligibility criteria and/ or falls within such grade/ category as may be determined by the ESOS Committee at its sole discretion from time to time.
- b) in respect of a director, the director must fulfil the following conditions:-
 - (i) the director shall have attained the age of 18 years on the Existing ESOS Date of Offer and neither an undischarged bankrupt nor subject to any bankruptcy proceedings;
 - (ii) the director has been appointed as a Director of the Participating DNeX Group;
 - (iii) the director is not a participant of any other ESOS implemented by any corporation within the Participating DNeX Group which is in force for the time being; and
 - (iv) the director has fulfilled any other eligibility criteria and/ or falls within such grade/ category as may be determined by the ESOS Committee at its sole discretion from time to time.

- c) In respect of Eligible Persons who are not Malaysian citizens, such Eligible Person having obtained the required approvals from the relevant authorities (if required), subject to compliance with the Existing ESOS Bylaws, as applicable.

Provided that nothing herein shall invalidate any selection of any Eligible Person which may have been made by the Board on or prior to the Effective Date.

The executive Directors and non-executive Directors, major shareholder of DNeX (who is a director/ employee of the Group) and persons connected to them who are eligible to participate in the Existing ESOS, such entitlement under the ESOS must have been approved by the shareholders of the Company in a general meeting.

The ESOS Committee may, in its absolute discretion, waive any of the conditions of eligibility as set out above. The eligibility and number of Existing ESOS Options to be offered to an Eligible Person under the Existing ESOS shall be at the sole and absolute discretion of the ESOS Committee and the decision of the ESOS Committee shall be final and binding.

3.1.4 Duration

The Existing ESOS shall be in force for a period of 5 years from the Effective Date. On or before the expiry of the above initial 5-year period, upon recommendation of the ESOS Committee, the Existing ESOS may be extended by the Board at its absolute discretion, without having to obtain approval from the Company's shareholders, for a further period of up to 5 years, provided that the initial period of the Existing ESOS and such extension of the Existing ESOS made pursuant to the Existing ESOS Bylaws shall not in aggregate exceed the duration of 10 years from the Effective Date.

3.1.5 Basis of determining the subscription price

Subject to any adjustments made under the Existing ESOS Bylaws and pursuant to the Listing Requirements, the price at which the grantee is entitled to subscribe for each new DNeX Share shall be determined by the Board upon recommendation of the ESOS Committee based on the 5-day weighted average market price of DNeX Shares immediately preceding the Existing ESOS Date of Offer of the Existing ESOS Option(s),, with a potential discount of not more than 10% or such lower or higher limit in accordance with any prevailing guidelines, rules or regulations issued by Bursa Securities or any other relevant authorities as may be amended from time to time during the duration of the Existing ESOS.

3.1.6 Ranking of the Existing ESOS Options and new DNeX Shares to be issued arising from the exercise of the Existing ESOS Options

The new DNeX Shares to be allotted and issued upon the exercise of the Existing ESOS Options will, upon allotment, issuance and full payment, rank equally in all respects with the existing DNeX Shares, save and except that the new DNeX Shares will not be entitled to any dividends, rights, allotments and/ or any other forms of distribution where the entitlement date precedes the relevant date of allotment, issuance and/ or transfer (as the case may be) of the new DNeX Shares, and are subject to all provision in the Constitution of the Company and Listing Requirements, if any.

3.1.7 Retention Period

Pursuant to Paragraph 8.20 of the Listing Requirements, an eligible Director who is a non-executive director of the Participating DNeX Group, shall not sell, transfer or assign the DNeX Shares obtained through the exercise of the Existing ESOS Options offered to him/ her within 1 year from the Existing ESOS Date of Offer. Save for the non-executive directors, the new DNeX Shares allotted and issued to the grantees pursuant to the exercise of the Existing ESOS Options will not be subject to any holding period or restriction on transfer, disposal and/ or assignment.

3.1.8 Listing and quotation for the new Shares

Bursa Securities had vide its letter dated 25 February 2021, approved the listing and quotation for such number of new DNeX Shares, representing up to 5% of the total number of DNeX Shares (excluding treasury shares, if any) to be issued arising from the exercise of the Existing ESOS Options on the Main Market of Bursa Securities.

3.2 Details of the Proposed LTIP

The Proposed LTIP serves to attract, retain, motivate and reward Directors and employees of the Participating DNeX Group, who fulfil the eligibility criteria as set out in **Section 3.2.4(iii)** of this Circular, through the award of existing DNeX Shares or the rights to subscribe for new DNeX Shares.

In conjunction with the Proposed Variation and the implementation of the Proposed LTIP, the ESOS Committee will be reconstituted as the LTIP Committee. The LTIP Committee may comprise the same members as the current ESOS Committee or such other Directors and/ or senior management personnel of the Participating Group as may be determined by the Board. The terms of reference of the LTIP Committee, which may differ from that of the ESOS Committee, will be formulated and approved by the Board.

For information purposes the members of the current ESOS Committee, which will be reconstituted as the LTIP Committee, are set out as follows:-

Name	Designation in ESOS Committee
Datuk Johar bin Che Mat (Senior Independent Non-Executive Director)	Chairman
Tan Sri Dato' Sri Haji Syed Zainal Abidin bin Syed Mohamed Tahir (Non-Independent Non-Executive Chairman)	Member
Mohd Isa bin Ismail (Executive Director)	Member

The Proposed LTIP will be administered in accordance with the LTIP Bylaws by the LTIP Committee, who will be responsible for, amongst others, implementing, allocating and administering the Proposed LTIP. The rights or awards under the Proposed LTIP will be determined by the LTIP Committee, appointed and authorised by the Board in accordance with the LTIP Bylaws.

The Proposed LTIP shall comprise of the Proposed SGP and Proposed ESOS. The Proposed SGP is intended to award existing DNeX Shares and the Proposed ESOS is intended to award share options, to Selected Persons, subject to them fulfilling certain vesting conditions as determined by the LTIP Committee at a later date after the establishment of the Proposed LTIP.

In implementing the Proposed LTIP, the LTIP Committee may at its absolute discretion, subject to the terms of the LTIP Bylaws, decide that the ESOS Options or SGP Awards be satisfied by the following methods:-

- (i) for SGP Awards:
 - (a) acquisition and/ or transfer of existing DNeX Shares from the open market of Bursa Securities;
 - (b) acquisition and/ or transfer of DNeX's treasury shares (if any);
 - (c) any other methods as may be permitted by the Act, Listing Requirements and applicable laws as amended from time to time and any re-enactment thereof; or
 - (d) a combination of any of the above,
- (ii) or ESOS Options:
 - (a) issuance of new DNeX Shares;
 - (b) any other methods as may be permitted by the Act, Listing Requirements and applicable laws as amended from time to time and any re-enactment thereof; or
 - (c) a combination of any of the above.

In considering the method of satisfaction as referred to above, the LTIP Committee will take into consideration, among others, factors such as the issue price of the new Shares (which shall be determined based on fair value of the Shares as at the date of the offer letter for the Proposed LTIP), the prevailing market price of the Shares, funding requirements of the Group, future returns and the potential cost arising from the granting of the Grants. Further details on the potential cost arising from the granting of the Grants are set out in **Section 7.2.2** of this Circular.

3.2.1 Proposed ESOS

Under the Proposed ESOS, the LTIP Committee may, within the tenure of the Proposed LTIP and at its discretion, offer share options in writing to Selected Persons at the award date to subscribe for new DNeX Shares at a prescribed Subscription Price, subject to the terms and conditions of the LTIP Bylaws. Pursuant to the contract constituted by the Selected Persons acceptance of the aforesaid ESOS Offer in the manner indicated in the LTIP Bylaws, the ESOS Grantee has a right to subscribe for new DNeX Shares under the Proposed ESOS.

Under the Proposed ESOS, the ESOS Offer may be made from time to time during the tenure of the Proposed LTIP at the sole and absolute discretion of the LTIP Committee. Upon acceptance of the ESOS Offers by the ESOS Grantees, the ESOS Grant will be vested to the ESOS Grantees over the tenure of the Proposed LTIP, subject to the ESOS Grantees fulfilling certain vesting conditions (if any) as determined by the LTIP Committee at a later date after the establishment of the Proposed LTIP.

Subject to any adjustments made under the LTIP Bylaws and pursuant to the Listing Requirements, the Subscription Price shall be based on a price to be determined by the Board upon recommendation of the LTIP Committee based on the 5-day weighted average market price of DNeX Shares at the ESOS Date of Offer to the Selected Person(s), with a discount of not more than 10% or such other percentage of discount as may be permitted by Bursa Securities and/ or any other relevant authorities from time to time during the tenure of the Proposed LTIP.

For clarity, the Existing ESOS scheme will be varied and incorporated as part of the Proposed ESOS under the Proposed LTIP. All outstanding Existing ESOS Options granted but not exercised under the Existing ESOS will continue to remain valid and exercisable in accordance with their original terms of their respective offer letters so accepted by such holders of the Existing ESOS Options.

For information purposes, the Company is currently exploring measures to address the outstanding Existing ESOS Options that are out-of-the-money (i.e. where the Subscription Price exceeds the current market price of DNeX Shares). One preliminary measure under consideration is an option exchange programme, where affected ESOS Grantees may voluntarily swap their unexercised options for new options under the Proposed LTIP at a predetermined exchange ratio. This is intended to restore the incentive value of the scheme while maintaining fairness to shareholders. As this measure is still at the planning stage, no decision has been made by the Board or Existing ESOS Committee. Any implementation will be subject to compliance with the Listing Requirements and other relevant regulations.

3.2.2 Proposed SGP

Under the Proposed SGP, the LTIP Committee may, within the tenure of the Proposed LTIP and at its discretion, grant SGP Awards in writing to the Selected Person(s).

Under the Proposed SGP, the SGP Awards will be awarded to the Eligible Persons on an annual basis or at the sole and absolute discretion of the LTIP Committee. Upon acceptance of the SGP Awards by SGP Grantees, the SGP Awards will be vested to the SGP Grantees over the tenure of the Proposed LTIP at no cash consideration, subject to the SGP Grantees fulfilling certain vesting conditions (if any) as determined by the LTIP Committee at a later date after the establishment of the Proposed LTIP.

For the avoidance of doubt, the Shares to be delivered to SGP Grantees pursuant to the vesting of the SGP Awards shall not involve the issuance of new Shares by the Company but shall be satisfied in the manner set out in **Section 3.2** of this Circular.

3.2.3 Proposed Allocation

Paragraph 6.06(1) of the Listing Requirements states that the Company must not issue any Shares to Directors, major shareholders (who is a director/ employee of the Group (excluding dormant subsidiaries, if any)) or chief executive of the Company or persons connected with them, who are Eligible Persons, unless the shareholders of DNeX have approved the specific allotment to be made to them in a general meeting.

Accordingly, the Company will seek the approval of its shareholders at the forthcoming EGM for the Proposed Allocations to the following persons:-

Name	Designation
Tan Sri Dato' Sri Haji Syed Zainal Abidin bin Syed Mohamed Tahir	Non-Independent Non-Executive Chairman
Datuk Johar bin Che Mat	Senior Independent Non-Executive Director
Dato' Robert Fisher	Independent Non-Executive Director
Chandramohan Subramaniam	Independent Non-Executive Director
Zalina binti Shaher	Independent Non-Executive Director
Haslinda bt Hussein	Independent Non-Executive Director
Dr. Chen, Wei-Ming	Non-Independent Non-Executive Director
Mohd Isa bin Ismail	Executive Director
Faizal Sham bin Abu Mansor	Group Chief Executive Officer
Muhammad Saifullah bin Mohd Isa ^{*1}	Group Head Strategy

Note:-

^{*1} *Muhammad Saifullah bin Mohd Isa is a person connected to a director of DNeX, by virtue of him being the son of Mohd Isa bin Ismail, who is an executive director and major shareholder of the Company. As at the LPD, Muhammad Saifullah bin Mohd Isa has no direct or indirect shareholdings in the Company.*

For information purposes, the number of Existing ESOS Options exercised and the number of outstanding Existing ESOS Options held by the proposed recipients of the Proposed Allocation as at the LPD, are set out as follows:-

Name	Existing ESOS Options exercised	Outstanding Existing ESOS Options held
Tan Sri Dato' Sri Haji Syed Zainal Abidin bin Syed Mohamed Tahir	-	25,000,000
Datuk Johar bin Che Mat	314,550	1,685,450
Dato' Robert Fisher	-	-
Chandramohan Subramaniam	-	1,500,000
Zalina binti Shaher	-	1,500,000
Haslinda bt Hussein	-	-
Dr. Chen, Wei-Ming	-	1,500,000
Mohd Isa bin Ismail	-	-
Faizal Sham bin Abu Mansor	-	-
Muhammad Saifullah bin Mohd Isa	-	119,700

3.2.4 Indicative salient terms of the Proposed LTIP

i. **Maximum number of DNeX Shares available under the Proposed LTIP**

The maximum number of DNeX Shares to be made available, allotted and /or issued that may be granted under the Proposed LTIP shall not exceed in aggregate 5% of the prevailing total number of issued Shares of the Company (excluding treasury shares, if any) at any point in time when an ESOS Offer is made throughout the duration of the Proposed LTIP. This limit is maintained pursuant to the Proposed Variation of the Existing ESOS, which was previously approved by shareholders and is subject to the same 5% threshold.

ii. **Basis of allotment and maximum allowable allotment**

The allocation of DNeX Shares to be made available under the Grants shall be determined by the LTIP Committee from time to time during the tenure of the Proposed LTIP as determined by the LTIP Committee.

Subject to any adjustments which may be made under the LTIP Bylaws, the aggregate number of DNeX Shares comprised in the ESOS Options and/ or SGP Awards to be offered and/ or allotted to an Eligible Person in accordance with the Proposed LTIP shall be determined at the sole and absolute discretion of the LTIP Committee after taking into consideration, amongst other factors, the Eligible Person's performance, seniority, the number of years in service and such other factors that the LTIP Committee may deem relevant in its discretion, subject to the following:-

- a. That the number of DNeX Shares made available, allotted and/ or issued pursuant to the ESOS Option and/ or SGP Awards (as the case may be) under the Proposed LTIP shall not exceed the amount in **Section 3.2.4(i)** above;
- b. the allocation to any individual Selected Person who, either singly or collectively through persons connected with him, holds twenty per cent (20%) or more in the issued shares of the Company (excluding treasury shares, if any), does not exceed ten percent (10%) of the total number of Shares available under the Proposed LTIP at any point in time when an ESOS Offer is made;
- c. that at any one time during the duration of the Proposed LTIP, not more than 50% of the total number of ESOS Options and DNeX Shares under the Proposed SGP available under the Proposed LTIP could be allocated, in aggregate, to the directors and senior management of the Participating DNeX Group who are Selected Persons; and

the Eligible Persons including directors and employees of the Participating DNeX Group do not participate in the deliberation or discussion of their own allocations of ESOS Options and/ or SGP Awards (as the case may be) as well as to persons connected with them, if any, under the Proposed LTIP, provided always that it is in accordance with the Listing Requirements or any prevailing guidelines, rules, regulations and requires as amendments from time to time issued by any relevant regulatory authority.

At the time the ESOS Offer is made in accordance with the LTIP Bylaws, the LTIP Committee shall set out, among others, the basis of allocation, identifying the category or grade of the employee and the maximum allowable allocation for the Selected Person.

For avoidance of doubt, the LTIP Committee may at its sole and absolute discretion determine whether granting of the Grants to the Eligible Persons will be based on staggered over the duration of the Proposed LTIP or in a single grant and/ or whether the Grants will be subject to any vesting period and if so, to determine the vesting conditions for the Grant(s).

iii. Eligibility

Subject to the discretion of the LTIP Committee, only the Eligible Persons who fulfil the following conditions shall be eligible to participate in the Proposed LTIP and qualify for selection by the LTIP Committee:-

- a. in respect of an employee, the employee must fulfil the following conditions as at the date as determined by the LTIP Committee to be the date on which the Eligible Person is deemed eligible to participate in the Proposed LTIP ("**Date of Allocation**") (where applicable) in the manner provided in the Bylaws:-
 - i. the employee shall have attained the age of 18 years and neither an undischarged bankrupt nor subject to any bankruptcy proceedings;
 - ii. the employee is employed on a full time basis and is on the payroll of any corporation within the Participating DNeX Group and his/ her employment has been confirmed or the employee is serving in a specific designation under an employment contract for a fixed duration of not less than one (1) year;
 - iii. the employee is not a participant of any other employee share option scheme implemented by any corporation within the Participating DNeX Group which is in force for the time being; and
 - iv. the employee has fulfilled any other eligibility criteria and/ or falls within such grade/ category as may be determined by the LTIP Committee at its sole discretion from time to time.
- b. in respect of a director, the director must fulfil the following criteria as at the Date of Allocation (where applicable):-
 - i. the director shall have attained the age of 18 years and neither an undischarged bankrupt nor subject to any bankruptcy proceedings;
 - ii. the director has been appointed as a director of a corporation within the Participating DNeX Group;
 - iii. the Director is not a participant of any other employee share option scheme implemented by any corporation within the Participating DNeX Group which is in force for the time being; and

- iv. the director has fulfilled any other eligibility criteria and/ or falls within such grade/ category as may be determined by the LTIP Committee at its sole discretion from time to time.
- c. in respect of Eligible Persons who are not Malaysian citizens, such Eligible Person having obtained the required approvals from the relevant authorities (if required), subject to compliance with the LTIP Bylaws, as applicable.

The selection of any Eligible Persons for participation in the Proposed LTIP and the number of ESOS Options and/ or Shares under the SGP to be offered to an Eligible Person under the Proposed LTIP shall be made by the LTIP Committee at its sole and absolute discretion, and the decision of the LTIP Committee shall be final and binding.

For the avoidance of doubt, the LTIP Committee may determine any other eligibility criteria and/ or waive any of the conditions of eligibility as set out in the Bylaws, for purposes of selecting an Eligible Person at any time and from time to time, in the LTIP Committee's discretion.

iv. Duration

The Proposed LTIP, being a variation of the Existing ESOS implemented on the Effective Date (i.e. 6 April 2021), shall remain in force for the remainder of the 5-year period expiring on 5 April 2026, unless extended in accordance with the LTIP Bylaws. The Board shall have the absolute discretion, without having obtain sanction, approval or authorisation of the Company's shareholders in a general meeting (unless otherwise required by the relevant authorities or Listing Requirements), to extend the Proposed LTIP upon recommendation of the LTIP Committee, provided that the initial period of the scheme and such extension of the scheme made pursuant to the LTIP Bylaws shall not in aggregate exceed the duration of 10 years from the Effective Date.

Such extended Proposed LTIP shall be implemented in accordance with the terms of the LTIP Bylaws, save for any amendment and/ or change to the relevant statutes and/ or regulations then in force. Unless otherwise required by the relevant authorities, no further approvals shall be required for the extension of the Proposed LTIP and the Company shall serve appropriate notices on each SGP Grantee and ESOS Grantee and/ or make any necessary announcements to any parties and/ or Bursa Securities (if required) within 30 days prior to the date of expiry of the Proposed LTIP.

The Proposed LTIP may be terminated by the Company at any time before the date of expiry of the Proposed LTIP in accordance with the terms of the LTIP Bylaws provided that an announcement is released to Bursa Securities on the following:-

- a. the effective date of termination of the Proposed LTIP;
- b. the number of DNeX Shares vested pursuant to the Proposed SGP and/ or number of ESOS Options exercised pursuant to the Proposed ESOS; and
- c. the reasons for termination of the Proposed LTIP.

Upon expiry or termination of the Proposed LTIP, any Grants which have yet to be vested or exercised (as the case may be and whether fully or partially) shall be deemed to cease to be capable of being exercised and be null and void.

Subject to the requirements under the Listing Requirements, approval or consent of the shareholders of the Company by way of resolution in a general meeting and written consent of the LTIP Grantees in relation to the unvested DNeX Shares and/ or unexercised ESOS Options are not required to effect the termination of the Proposed LTIP.

v. Basis of determining the Subscription Price

For the Proposed ESOS, subject to any adjustments made under the LTIP Bylaws and pursuant to the Listing Requirements, the Subscription Price at which the Grantee is entitled to subscribe for each new DNeX Share shall be determined by the Board upon recommendation of the LTIP Committee based on the 5-day weighted average market price of DNeX Shares at the ESOS Date of Offer, with a potential discount of not more than 10% or such lower or higher limit in accordance with any prevailing guidelines, rules of regulations issued by Bursa Securities or any other relevant authorities as may be amended from time to time during the duration of the Proposed LTIP.

For information purposes, the Shares pursuant to the Proposed SGP will vest with the SGP Grantees at no cash consideration to the SGP Grantees.

vi. Ranking of the ESOS Options and Shares arising from the exercise of the ESOS Options and/ or upon vesting of the SGP Award

The unexercised ESOS Options and/ or SGP Awards (as the case may be) shall not carry any right to attend or vote at any general meeting of the Company until and unless such Shares have been issued, allotted and/ or transferred and credited into the CDS Account of the LTIP Grantee. An LTIP Grantee shall not be entitled to any dividends, right, allotment or any other forms of distribution on his unexercised ESOS Options and/ or unvested Shares under the SGP Awards (as the case may be).

Any new Shares to be issued under the Proposed ESOS shall upon allotment and issuance and full payment, rank equally in all respects with the existing Shares, save and except that the new Shares will not be entitled to any dividends, rights, allotments and/ or any other forms of distribution where the entitlement date of such dividends, rights, allotments and/ or any other forms of distribution precedes the relevant date of allotment and issuance of the new Shares. The new Shares will be subject to all provisions of the Constitution of DNeX and such amendments thereafter, if any.

vii. Retention Period

The Shares to be issued and allotted or transferred to the LTIP Grantees pursuant to the Proposed LTIP will not be subject to any retention period or restriction on transfer, disposal and/ or assignment. However, they are encouraged to hold the Shares as a long-term investment and not for any speculative and/ or realisation of immediate gain.

Notwithstanding the above, an LTIP Grantee who is a Non-Executive Director must not sell, transfer or assign Shares obtained through the exercise of the ESOS Options or vesting of the Shares pursuant to the SGP Award within 1 year from the date of such offer.

viii. Listing of and quotation for the new Shares

The listing and quotation of new DNeX Shares, if any, to be issued pursuant to the Proposed LTIP (being a variation of the Existing ESOS) are within the original 5% limit previously approved by Bursa Securities via its letter dated 25 February 2021 in relation to the Existing ESOS.

ix. Utilisation of proceeds

The actual amount of proceeds to be raised from the Proposed LTIP will depend on the number of ESOS Options granted and exercised at the relevant point of time and the subscription price payable upon the exercise of the ESOS Options. The proceeds arising from the exercise of the ESOS Options will be utilised for the working capital requirements of DNeX Group, as and when received, within the tenure of the ESOS.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK
--

3.3 Comparison of salient terms – Existing ESOS and Proposed LTIP

For the avoidance of doubt, the salient terms of the Proposed LTIP remain largely unchanged from those of the Existing ESOS, save for the inclusion of the Proposed SGP. For clarity, a comparison of the key terms of the Existing ESOS and the Proposed LTIP is set out in the table below:-

Terms	Existing ESOS	Proposed LTIP	Remarks
Maximum number of DNeX Shares available	The maximum number of new DNeX Shares that may be allotted and/ or issued pursuant to the exercise of Existing ESOS Options shall not exceed 5% of the total number of issued shares of the Company (excluding treasury shares, if any) at any point in time during the duration of the scheme.	The maximum number of DNeX Shares that may be made available, allotted and/ or issued under the Proposed LTIP shall not exceed 5% of the prevailing total number of issued shares of the Company (excluding treasury shares, if any) at any point in time during the duration of the scheme, consistent with the threshold previously approved under the Existing ESOS.	Unchanged. Both maintain the 5% limit, in line with Bursa approvals and the Listing Requirements.
Basis of allotment and maximum allowable allotment	The number of ESOS Options allotted to each Eligible Person is determined by the ESOS Committee based on factors such as performance, seniority, and years of service. Allocations are subject to several limits, including: (i) the overall scheme limit; (ii) a 10% cap for individuals holding 20% or more of DNeX shares (including connected persons); (iii) non-participation by Directors/ employees in deliberations over their own allocations; and (iv) an aggregate 50% limit for allocations to Directors and senior management.	The LTIP Committee has discretion to determine allocations of ESOS Options and/ or SGP Awards based on performance, seniority, years of service and other relevant factors. Allocations are subject to several limits, including: (a) the overall scheme limit; (b) a 10% cap for individuals (and connected persons) holding 20% or more of DNeX shares; (c) exclusion of Directors/ employees from deliberations on their own allocations; and (d) an aggregate 50% limit for allocations to Directors and senior management. Further, the LTIP Committee may decide on single or staggered grants and impose vesting conditions, where applicable.	Unchanged. The core allocation terms and limits are the same. However, the Proposed LTIP has the addition of staggered grants and vesting, an enhancement to support long-term retention and performance alignment.
Eligibility	Eligibility includes full-time confirmed employees and Directors of the Participating DNeX Group who are at least 18 years of age, not undischarged bankrupts, not participants of other active share schemes in the Group, and meet any additional criteria set by the ESOS Committee. Employees on fixed-term contracts of at least one year are also eligible.	Eligibility includes full-time confirmed employees and Directors of the Participating DNeX Group who are at least 18 years of age, not undischarged bankrupts, not participants of other active share schemes in the Group, and meet any further criteria set by the LTIP Committee. Employees on fixed-term contracts of at least one year are also eligible.	Unchanged. No change in the eligibility scope.

Terms	Existing ESOS	Proposed LTIP	Remarks
	<p>Non-Malaysian participants must obtain any necessary regulatory approvals. Participation by directors and major shareholders (who are also employees/ directors), and their connected persons, must be approved by shareholders. The ESOS Committee has full discretion to waive conditions or determine eligibility.</p>	<p>Non-Malaysian participants must obtain any necessary regulatory approvals. Participation by directors and major shareholders (who are also employees/ directors), and their connected persons, must be approved by shareholders. The LTIP Committee has absolute discretion to determine or waive eligibility conditions.</p>	
Duration	<p>The Existing ESOS is valid for a period of 5 years from the Effective Date. It may be extended for up to an additional 5 years upon recommendation of the ESOS Committee and at the absolute discretion of the Board, without requiring shareholder approval, subject to the aggregate duration not exceeding 10 years from the Effective Date.</p>	<p>The Proposed LTIP continues from the Effective Date of the Existing ESOS (6 April 2021) and will remain in force for the remainder of the initial 5-year term, expiring on 5 April 2026, unless extended in accordance with the LTIP Bylaws.</p> <p>Accordingly, the Board may, upon recommendation of the LTIP Committee, extend the LTIP for a further period such that the total duration does not exceed 10 years, without requiring shareholder approval.</p>	<p>Unchanged.</p> <p>No change in duration or the extension mechanism, and continuity of the scheme is maintained.</p>
Basis of determining subscription price	<p>The subscription price for the Existing ESOS is determined by the Board based on the 5-day weighted average market price of DNeX Shares preceding the date of offer, with a discount of up to 10%, subject to adjustments under the Existing ESOS Bylaws and compliance with Bursa Securities' guidelines and regulations.</p>	<p>For the Proposed ESOS, the Subscription Price will be determined by the Board upon recommendation of the LTIP Committee based on the 5-day weighted average market price of DNeX Shares immediately preceding the date of offer, with a discount of up to 10%, and subject to adjustments under the LTIP Bylaws.</p> <p>Existing DNeX Shares granted under the Proposed SGP will vest at no cash consideration to the recipients.</p>	<p>Enhanced.</p> <p>SGP Awards are introduced under the Proposed SGP, with existing Shares to be granted at no cash consideration to recipients.</p> <p>The basis of determining the subscription price for the Proposed ESOS remains substantially unchanged from the Existing ESOS.</p>

Terms	Existing ESOS	Proposed LTIP	Remarks
Ranking of the options and/ or shares to be issued	New DNeX Shares issued upon exercise of Existing ESOS Options will, upon allotment, issuance and full payment, rank pari passu with existing DNeX Shares in all respects, except that they will not be entitled to any dividends, rights, allotments or other distributions whose entitlement dates precede the date of allotment, issuance or transfer. New Shares will be subject to the Constitution of DNeX and any subsequent amendments.	New DNeX Shares issued under the Proposed ESOS will, upon allotment, issuance and full payment, rank pari passu with existing Shares in all respects, except they will not be entitled to any dividends, rights, allotments or other distributions whose entitlement dates precede the date of allotment and issuance. New Shares will be subject to the Constitution of DNeX and any subsequent amendments. LTIP Grantees holding unexercised ESOS Options and unvested SGP Awards carry no right to attend or vote at any general meeting, and LTIP Grantees are not entitled to dividends, rights or distributions on their unexercised ESOS Options or unvested SGP Awards.	Unchanged. No material changes in shareholder rights post-allotment.
Retention Period	Non-executive directors are prohibited from selling, transferring or assigning DNeX Shares obtained through Existing ESOS Options within 1 year from the date of offer, in line with the Listing Requirements. No retention period or transfer restrictions apply to Shares allotted to other grantees.	Non-executive directors are restricted from selling, transferring or assigning Shares obtained via the ESOS Options or SGP Awards within 1 year from the date of offer. Shares allotted to other grantees are not subject to any retention period or restrictions on transfer, disposal or assignment.	Unchanged. No changes in the retention framework.
Listing of and quotation for the new Shares	Bursa Securities, via its letter dated 25 February 2021, approved the listing and quotation of up to 5% of the total number of DNeX Shares (excluding treasury shares, if any) to be issued pursuant to the exercise of Existing ESOS Options on the Main Market of Bursa Securities.	The issuance of new DNeX Shares under the Proposed LTIP remains within the original 5% limit approved by Bursa Securities on 25 February 2021 under the Existing ESOS and will similarly be listed and quoted on the Main Market of Bursa Securities.	Unchanged. No new approvals required for the listing of and quotation for new Shares, and existing regulatory threshold applies.

4. RATIONALE AND JUSTIFICATIONS FOR THE PROPOSALS

4.1 Proposed Bonus Issue of Warrants

The Proposed Bonus Issue of Warrants aims to reward the existing shareholders of the Company for their loyalty and continuing support, by providing an option to further increase their equity participation in the Company at a pre-determined price over the tenure of the Warrants and to benefit from the future growth and any potential capital appreciation of the Shares arising therefrom.

Further, the Proposed Bonus Issue of Warrants may also strengthen the Company's financial position and capital base, as the Warrants may potentially provide additional working capital as and when the Warrants are exercised without incurring interest costs as compared to bank borrowings.

4.2 Proposed Variation

The Proposed Variation is intended to enhance the Existing ESOS without the need to terminate it, by enhancing and expanding its scope and to allow for the grant of shares under the Proposed SGP. The Proposed Variation is to be implemented within the existing 5% limit of the total number of issued shares of the Company as approved under the Existing ESOS. By introducing an additional form of equity incentive without increasing the overall limit or establishing a separate scheme, the Company aims to improve flexibility in structuring long-term incentives while maintaining the shareholder approval already in place.

The Existing ESOS was introduced to align the interests of employees and directors with those of the Company and its shareholders by encouraging equity participation in the Company's growth. It was also intended to support talent retention, reward long-term contributions, and improve accountability and ownership among the Company's employees. While these objectives remain relevant, the Company has observed limitations in the current structure of the Existing ESOS that have reduced its effectiveness.

A key limitation is that a substantial portion of the Existing ESOS Options granted under the Existing ESOS remain unexercised, as their subscription prices are currently above the market price of DNeX Shares. This may have diminished its perceived value among recipients, limiting the Existing ESOS' impact as a motivational or retention tool. Further, the requirement for payment upon exercise may have reduce participation.

In determining the approach to implementing the Proposed LTIP, the Board also considered the alternative of terminating the Existing ESOS and establishing a new Proposed LTIP. However, this would have resulted in the cancellation of all outstanding Existing ESOS Options held by existing participants, many of whom are long-serving employees. The Board opines that such cancellation could adversely affect employee morale and undermine the incentive value that the Existing ESOS was originally intended to provide. Notwithstanding that the outstanding Existing ESOS Options are currently out-of-money, as set out in **Section 3.1** of this Circular, they remain a recognised form of long-term reward, and their cancellation may be perceived by recipients as a withdrawal of previously granted entitlements. This could negatively affect morale, especially for employees who continue to regard these options as having future value.

The Proposed Variation would instead allow the Existing ESOS Options to be retained, and the Board believes that this would reinforce the Company's commitment to fairness and continuity in its employee reward structure. Further, the proposed introduction of share grants would complement, rather than replace, the existing option-based structure. By broadening the types of incentives available, the Company may be better positioned to attract and retain employees with critical skills, drive higher individual and team performance, and align outcomes more closely with the long-term interests of the Company's shareholders.

Further, the Proposed Variation does not increase the existing 5% limit previously approved by shareholders, and the implementation of share grants will also be subject to the discretion and oversight of the LTIP Committee. This ensures that proper governance and control are maintained in awarding equity incentives under the expanded scheme.

Additionally, the Proposed Allocation to all Directors of the Group, including Independent Non-Executive Directors, is intended to recognise their ongoing contributions to the Company's governance and performance. The Proposed Allocation is also intended to reward the Independent Non-Executive Directors for their role in the Group and to enable their continued alignment with the Company's long-term growth by allowing them to participate directly in the equity interests of DNeX. The Company does not foresee that the Proposed Allocation will affect the Independent Non-Executive Directors in exercising their independent judgment or their ability to act in the best interests of the Company, as:-

- (i) all grants to Directors are subject to shareholders' approval at a general meeting;
- (ii) the allocations are not performance-based and are modest in quantum, and therefore not significant enough to compromise their independence;
- (iii) providing Independent Non-Executive Directors with an equity stake in the Company serves to align their interests with the rest of the shareholders;
- (iv) such equity incentives are comparable to other forms of remuneration that are linked to the Company's performance;
- (v) Independent Directors remain guided by their integrity and will continue to exercise independent judgment in the Company's and shareholders' best interests, regardless of their shareholding or other factors; and
- (vi) the independence of such Directors will continue to be assessed annually by the Nomination and Remuneration Committee in accordance with the Listing Requirements and applicable corporate governance standards.

The Board opines that the Proposed Variation is an enhancement to the Company's long-term incentive strategy. The Proposed LTIP may allow the Group to introduce additional tools to support talent management, employee retention, and performance-driven rewards via the Proposed SGP. Accordingly, The Board is of the opinion that the Proposed LTIP may better serve the Group's needs going forward and contribute positively to long-term value creation.

5. OTHER FUND RAISING EXERCISES IN THE PAST 12 MONTHS

Save as disclosed below, the Company has not undertaken any other fund raising exercises in the 12 months prior to the date of this Circular.

On 13 September 2023, the Company announced the private placement of up to 315,633,132 placement shares in the minimum scenario and 321,531,043 placement shares in the maximum scenario, representing up to approximately 10% of the total number of issued DNeX Shares, respectively ("**Private Placement 2023**"). The Private Placement 2023 was to be undertaken pursuant to the shareholders' mandate for the issuance of Shares under Sections 75 and 76 of the Act obtained at the Company's annual general meeting held on 6 December 2022. Further, Bursa Securities had, vide its letter dated 12 March 2024, resolved to grant the Company an extension of time of 6 months from 26 March 2024 to 26 September 2024 to complete the Private Placement 2023. Subsequently, the Company announced the completion of the Private Placement 2023 on 6 June 2024.

Accordingly the Company had issued a total of 315,633,132 Shares pursuant to Private Placement 2023 in the following manner:-

Listing Date	Issue price	Shares	Actual proceeds raised
	RM		RM'000
15 May 2024	0.3600	31,000,000	11,160
29 May 2024	0.3616	211,700,000	76,551
6 June 2024	0.4001	72,933,132	29,181
Total		315,633,132	116,892

As at the LPD, the total proceeds raised pursuant to the Private Placement 2023 of RM116.89 million has been fully utilised, in the manner set out below:-

Purpose of utilisation	Timeframe for utilisation	Proposed utilisation	Actual utilisation as at the LPD	Balance proceeds as at the LPD
		RM'000	RM'000	RM'000
Expansion of the Group's energy segment	Within 24 months of the receipt of placement funds	113,046	113,046	-
Expenses in relation to the Private Placement 2023	Upon completion of Private Placement 2023	3,846	3,846	-
Total		116,892	116,892	-

6. INDUSTRY OVERVIEW, OUTLOOK AND FUTURE PROSPECTS OF THE GROUP

6.1 Overview and outlook of the Malaysian economy

The Malaysian economy expanded by 4.4% in the first quarter of 2025 (4Q 2024: 4.9%), driven by the steady expansion in domestic demand. Household spending was sustained amid positive labour market conditions and income-related policy measures, including the upward revision of minimum wage and civil servant salary. The steady expansion in investment activities was supported by realisation of new and existing projects. In the external sector, export growth was slower due mainly to lower mining exports. This was partially offset by stronger electrical and electronics ("E&E") exports and tourism activity. At the same time, imports growth, although more moderate, continued to be driven by strong demand for capital goods, reflecting continued investment and trade activities.

On the supply side, growth was driven by the services and manufacturing sectors. Services sector was supported by higher Government services while strong E&E production underpinned the performance in the manufacturing sector. However, normalisation in motor vehicle sales and production following strong performances over the last three years affected the growth of services and manufacturing sectors respectively. Overall growth was also weighed down by a contraction in the mining sector amid lower oil and gas production. On a quarter-on-quarter, seasonally-adjusted basis, growth expanded by 0.7% (4Q 2024: -0.2%).

Malaysia's 2025 growth will be affected by the escalation in trade tensions and the heightened policy uncertainties. The rapidly-evolving developments surrounding trade tariffs are expected to affect the global outlook for the rest of the year. As a small and open economy, Malaysia will inevitably face both direct and indirect impact from these tariffs. Growth of the Malaysian economy is expected to be slightly lower than the earlier forecast of 4.5% - 5.5% in 2025. The high uncertainty surrounding outcomes of trade negotiations and how these will reshape global trade complicates a clear assessment of their impact on growth at this juncture.

Notwithstanding the external risks, growth will continue to be anchored primarily by resilient domestic demand. This provides a strong buffer against external headwinds. Household spending is expected to continue expanding, supported by continued wage and employment growth, particularly within domestic-oriented sectors as well as income-related policy measures. Investment activities will be driven by the continued implementation of multi-year projects across private and public sectors, further realisation of approved investments with a larger share by domestic players and the implementation of catalytic initiatives under the national master plans. Additionally, the continued demand for E&E goods, alongside higher tourist receipts will also provide cushion to growth.

(Source: Economic and Financial Developments in Malaysia in the First Quarter of 2025, Bank Negara Malaysia)

6.2 Overview and outlook of the global semiconductor industry

The semiconductor industry had a robust 2024, with expected double-digit (19%) growth, and sales of USD627 billion for the year. But that's even better than the earlier forecast of USD611 billion. And 2025 could be even better, with predicted sales of USD697 billion, reaching a new all-time high, and well on track to reach the widely accepted aspirational goal of USD1 trillion in chip sales by 2030. This suggests the industry only needs to grow at a compound annual growth rate of 7.5% between 2025 and 2030. Assuming the industry continues to grow at that rate, it could reach USD2 trillion in 2040.

One driver of industry sales has been the demand for gen AI chips: a mix of CPUs, GPUs, data centre communications chips, memory, power chips, and more. Deloitte's 2024 TMT Predictions report predicted that those gen AI chips collectively would be worth "more than" USD50 billion, which was a much too conservative forecast, as the market was likely worth over USD125 billion in 2024—and represented over 20% of total chip sales for the year. At the time of publication, Deloitte predicted that gen AI chips will be over USD150 billion in 2025. Further, Lisa Su, chief executive officer at AMD, moved her estimate for the total addressable market for AI accelerator chips up to USD500 billion in 2028—a number larger than sales for the entire chip industry in 2023.

In terms of end markets, after being flat at around 262 million units over 2023 and in 2024, PC sales are expected to grow in 2025 by over 4% to about 273 million units. Meanwhile, smartphone sales are expected to grow at low single digits in 2025 (and beyond) to reach an estimated 1.24 billion units in 2024 (6.2% year-over-year growth). These two end markets are important for the semi-conductor industry: In 2023, communication and computer chip sales (which include data centre chips) made up 57% of overall semiconductor sales for the year compared to auto and industrial (which accounted for only 31% of sales combined, for example).

One challenge for the industry is that while gen AI chips and associated revenues (memory, advanced packaging, communications, and more) are responsible for outsized revenues and profits, they represent a small number of very high-value chips, meaning that wafer capacity—and therefore utilization—for the industry as a whole isn't as high as it might appear. In 2023, nearly a trillion chips were sold at an average selling price of USD0.61 per chip. At a rough estimate, although gen AI chips might account for 20% of revenues in 2024, they were less than 0.2% of total wafers. Even though global chip revenues for 2024 were forecast to rise 19%, silicon-wafer shipments for the year actually declined an estimated 2.4% for the year. That number is expected to grow by almost 10% in 2025, fuelled by demand for components and technologies used largely in gen AI chips, such as chiplets.

Further, driving innovation in the industry is not cheap. In 2015, the overall chip industry average for spending on research and development was 45% of its earnings before interest and taxes ("**EBIT**"), but by 2024, it was an estimated 52% of the same. R&D seems to be growing at a 12% CAGR, while EBIT is only growing at 10%.

The chip industry can be notoriously cyclical. The industry has flipped from growth to shrinkage nine times in the last 34 years. So, it may seem that the industry is seeing less extreme growth or shrinkage in the last 14 years, compared to 1990 to 2010, but the frequency of contractions seems to have increased. The year 2025 looks solid for now, it is hard to tell what 2026 will bring.

(Source: 2025 Global Semiconductor Industry Outlook, Deloitte)

6.3 Overview and outlook of the global oil & gas industry

Crude oil prices fell sharply in the first week of April as oil market participants assessed announcements that the United States would impose new tariffs and OPEC+ would accelerate production increases. These announcements increase the likelihood that global oil inventories will rise in the coming month and have the potential to put further downward pressure on oil prices. As a result, the Energy Information Administration ("**EIA**") has reduced its Brent crude oil spot price forecast by USD6/barrel in 2025 and by USD7/barrel in 2026 compared with the March Short-Term Energy Outlook. The EIA now expects Brent will average USD68/barrel this year and USD61/barrel next year.

The EIA anticipates that global oil inventories will start to increase in the second quarter of 2025 (2Q25). Inventories begin building sooner than previously expected, mostly because the EIA raised its expectation of OPEC+ production in the coming quarters and lowered its expectation of oil demand growth. The EIA expects global oil inventories will increase by 0.6 million barrels/day in 2Q25 and by 0.7 million barrels/day on average in the second half of 2025 (2H25), and inventories will continue to accumulate at that pace in 2026.

Given the EIA's expectation of significant increases in oil inventories beginning in 2H25, the EIA forecasts that the Brent crude oil price will generally decline throughout the forecast period. As global oil inventories rise, the EIA expects the Brent crude oil price will fall from an average of USD76/barrel in 1Q25 to an average of USD64/barrel by 4Q25 and will average USD61/barrel overall next year. Significant uncertainty remains in the EIA's price forecast. The effect that new or additional tariffs will have on global economic activity and associated oil demand is still highly uncertain and could weigh heavily on oil prices going forward. The implementation of energy-sector sanctions on Russia and Iran, as well as the wind down of Chevron's Venezuela oil exports, have increased oil price volatility in the short term while markets and trade patterns adjust.

In addition, the pace at which OPEC+ decides to unwind production cuts and the level of adherence to announced production targets continues to evolve.

Global liquid fuels production in the EIA's forecast increases in 2025 and 2026 because of the scheduled gradual increase in OPEC+ production and further growth from countries outside of OPEC+. Although the EIA anticipates OPEC+ members will begin increasing production in April 2025, it expects they will produce below their current target path during most of the next two years to limit increases in global oil inventories and support prices. The EIA expects OPEC+ producers will keep crude oil production mostly unchanged this year compared with the 2024 annual average, before increasing production by 0.5 million barrels/day in 2026.

The EIA still expects total liquid fuels production growth in its forecast to be led by countries outside of OPEC+, increasing by 1.2 million barrels/day in 2025 and by 0.7 million barrels/day in 2026. The EIA expects the United States, Canada, Brazil, and Guyana will drive production growth over the forecast period. Overall, the EIA forecasts global liquid fuels production will increase by 1.3 million barrels/day in 2025 and 1.2 million barrels/day in 2026.

Oil consumption in the EIA's forecast continues to be below its pre-pandemic trend. Recently announced trade policies mean the uncertainty around global oil demand growth has risen significantly. The EIA expects world consumption of petroleum and other liquid fuels to be 0.9 million barrels/day more in 2025 than it was last year, with growth of 1.0 million barrels/day in 2026.

(Source: Short-Term Energy Outlook April 2025, the EIA)

6.4 Future prospects of the Group

Technology

The global semiconductor industry remains on an upward trajectory, driven by accelerating demand for AI applications, autonomous vehicles, internet-of-things ("IoT"), and next-generation connectivity. In Malaysia, government initiatives to move up the semiconductor value chain — from chip manufacturing to high-value design — present a timely opportunity for DNeX to strengthen its leadership in this sector.

SilTerra Malaysia Sdn Bhd ("**SilTerra**"), a 60%-owned subsidiary of the Group, is well-positioned to capitalise on this momentum, given its specialisation in wafer fabrication. In the FYE 31 December 2024, improved wafer shipment volumes, particularly in emerging technologies, helped drive a turnaround in performance. This was supported by a more favourable product mix and stable average selling prices, which offset the impact of higher operational costs.

Looking ahead, SilTerra is expected to accelerate investments to enhance its Complementary Metal-Oxide-Semiconductor ("**CMOS**") wafer fabrication capabilities — the process for producing chips used in a wide range of devices, from smartphones to AI systems — and expand its advanced process technologies to meet the rising demand for high-performance semiconductor solutions, including AI-enabled chips. By advancing its capabilities in areas such as Silicon Photonics (a technology that integrates photonic devices with silicon circuits for faster and more efficient data transmission), Micro-Electromechanical Systems on CMOS (miniaturised devices that combine mechanical and electrical systems on a semiconductor chip), and GaN technologies (a material used for high-efficiency, high-power electronic devices), SilTerra aims to play a greater role in the global semiconductor supply chain while anchoring long-term growth for the Group.

Energy

DNeX's Energy division, led by its upstream oil and gas subsidiary Ping Petroleum Limited ("**Ping**"), faced a challenging year in FYE 31 December 2024 as production was impacted by extended maintenance shutdowns and delayed start-up to troubleshoot gasket leak on gas scrubber and oil contamination issue in the gas system. Both issues were fully resolved in October 2024. These disruptions led to a reduction in gross profit despite the Group's continued low-cost production strategy.

Moving forward in the near term, Ping will prioritise the monetisation of its Malaysian oil assets, with a focus on increasing production from the Abu Cluster, a late-life asset (LLA) production sharing contract awarded under Petroliam Nasional Berhad's Malaysia Bid Round 2022 (MBR 2022). The Abu Cluster is made up of three developed fields, namely Abu, Abu Kecil and Abu SW Uplifted, located about 250km from the east coast of Peninsular Malaysia. The reactivation and rejuvenation on existing wells and infrastructure is underway. Further, the Group is exploring strategic investments in regional energy assets to build a more diversified and resilient portfolio, reducing dependency on any single geography or asset class.

Information Technology

DNeX's Information Technology division, anchored by subsidiaries such as Dagang Net Technologies Sdn Bhd, Innovation Associates Consulting Sdn Bhd, and DNeX Solutions Sdn Bhd, continued to deliver strong performance in the FYE 31 December 2024. Growth was supported by robust demand in trade facilitation services and continued momentum in government consulting projects.

Moving forward, the Group is renewing its focus on AI-driven digital transformation. This includes integrating advanced technologies such as cloud computing, big data analytics, IoT, and blockchain to expand its offerings across public and private sectors. Beyond the National Single Window (NSW) for Trade Facilitation — a government platform operated by DNeX to streamline cross-border trade processes, which remains in operation until August 2025 — the Group is now building next-generation digital platforms in sovereign cloud infrastructure (locally hosted and government-secured cloud services), smart ports (digitally integrated port operations), and enterprise digital consulting, aimed at helping businesses and governments modernise through advanced technology solutions.

(Source: Management of DNeX)

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

7. EFFECTS OF THE PROPOSALS

7.1 Issued share capital

The Proposed Variation will not have any immediate effect on the Group's existing issued share capital until such time new Shares are issued pursuant to the exercise of ESOS Options granted under the Proposed ESOS (as well as the Existing ESOS Options). The Group's issued share capital may increase progressively depending on the number of new Shares to be issued arising from the Proposed LTIP.

Purely for illustrative purposes, the pro forma effects of the Proposals on the Group's share capital are as follows:-

	Minimum Scenario		Maximum Scenario	
	No. of Shares	RM'000	No. of Shares	RM'000
Issued share capital as at the LPD	3,471,964,456	1,130,449	3,471,964,456	1,130,449
Shares to be issued assuming the full granting and exercise of options under the Existing ESOS	-	-	172,550,472 ^{*1}	74,899 ^{*2}
Reversal of share option reserve	-	-	-	18,575
	3,471,964,456	1,130,449	3,644,514,928	1,223,923
Shares to be issued assuming full exercise of Warrants	1,157,321,485	219,891 ^{*3}	1,214,838,309	230,819 ^{*3}
	4,629,285,941	1,350,340	4,859,353,237	1,454,742
Shares to be issued pursuant to the Proposed LTIP	230,416,547 ^{*4}	92,040 ^{*2}	69,369,439 ^{*5}	20,457 ^{*6}
Enlarged issued share capital	4,859,702,488	1,442,380	4,928,722,676	1,475,200

Notes:-

^{*1} For illustrative purposes, assuming the maximum number of new DNeX Shares, representing 5% of the total issued share capital of DNeX, is issued pursuant to the full exercise of options under the Existing ESOS, and after deducting 1,047,750 Shares that have already been issued pursuant to the exercise of Existing ESOS Options. For the avoidance of doubt, the illustrative maximum 5% limit (i.e. 172,550,472 Shares) is inclusive of the 45,602,400 outstanding Existing ESOS Options as at the LPD.

^{*2} Computed based on an illustrative subscription price equivalent to the 5-day VWAP of DNeX Share up to and including the LPD of RM0.2949, as well as the average subscription price for the 45,602,400 outstanding Existing ESOS Options of RM0.8215.

^{*3} Assuming the full exercise of Warrants at the exercise price of RM0.19 per Warrant.

^{*4} For illustrative purposes, based on the maximum number of new DNeX Shares that may be issued under the Proposed LTIP, after assuming the full exercise of all 1,157,321,485 outstanding Warrants, and after deducting 1,047,750 Shares that have already been issued under the Existing ESOS, representing up to 5% of the enlarged number of issued Shares (inclusive of the 45,602,400 outstanding Existing ESOS Options as at the LPD).

^{*5} For clarity, the Proposed LTIP, being a proposed variation of the Existing ESOS, would share the same 5% share issuance headroom. As such, for illustrative purposes, it is assumed that 69,369,439 new DNeX Shares, representing 5% of the enlarged issued share capital of DNeX, is issued pursuant to the Proposed LTIP, after deducting 173,598,222 Shares that have already been issued pursuant to the exercise of Existing ESOS Options.

^{*6} Computed based on an illustrative subscription price equivalent to the 5-day VWAP of DNeX Share up to and including the LPD of RM0.2949.

7.2 Earnings and EPS

7.2.1 Proposed Bonus Issue of Warrants

The Proposed Bonus Issue of Warrants is not expected to have any immediate material effect on the consolidated earnings of the Group. However, assuming that the consolidated earnings of the Group remain unchanged, the EPS of the Group will be correspondingly diluted as a result of the increase in the number of DNeX Shares in issue as and when the Warrants are exercised into new DNeX Shares.

The potential effects of the exercise of the Warrants on the future earnings and EPS of the Group will depend upon, amongst others, the number of Warrants exercised at any point in time and the benefits to be accrued to the Group from the utilisation of proceeds raised from the exercise of the Warrants.

7.2.2 Proposed Variation

The Proposed Variation, via the Proposed LTIP, may have an effect on the earnings of the Group for the FYE 31 December 2025 and throughout the duration of the Proposed LTIP upon implementation due to possible impact of the Malaysian Financial Reporting Standards 2 ("**MFRS 2**") on share-based payment.

In accordance with MFRS 2, the cost arising from the issuance of the ESOS Options is measured by the fair value of the ESOS Options, which is expected to vest at each date of offer and is recognised in the statements of profit or loss and other comprehensive income over the vesting period of the ESOS Options, thereby reducing the earnings of the Group. The fair value of the ESOS Options is determined after taking into consideration, amongst others, the historical volatility of the Shares, the risk-free rate, the Subscription Price of the ESOS Options and time to maturity of the ESOS Options from the vesting date of the ESOS Options. Hence, the potential effect on the EPS of the Group, as a consequence of the recognition of the said cost, cannot be determined at this juncture. However, it should be noted that the estimated cost does not represent a cash outflow by the Group as it is only an accounting treatment.

Further, under MFRS 2, the potential cost of awarding the Shares under the Proposed SGP will need to be measured at fair value on the date of granting and recognised as an expense in the statement of profit or loss and other comprehensive income of the Group over the vesting period of such Shares under the SGP Award. The extent of the effect of the Proposed SGP on the Group's EPS cannot be determined at this juncture as it would depend on the method of satisfaction of the SGP Award and the fair value of the Shares at the respective dates of the SGP Award. Accordingly, the potential cost of the award pursuant to the Proposed SGP does not represent a cash outflow and is only an accounting treatment. However, there will be cash outflow if the SGP Award is fully or partly satisfied through the acquisition of existing Shares from the open market of Bursa Securities as set out in **Section 3.2** of this Circular.

Nevertheless, the Company has taken note of the potential impact of the MFRS 2 on the Group's future earnings and shall take into consideration such impact on the allocation and granting of ESOS Options and/ or SGP awards to the Eligible Persons.

7.3 Convertible securities

Save for the 45,602,400 outstanding Existing ESOS Options, the Company does not have any convertible securities in issue.

7.4 NA per Share and gearing

Save for the potential impact of MFRS 2 issued by the Malaysian Accounting Standards Board, as elaborated in **Section 7.2.2** of this Circular, the Proposed Variation and Proposed LTIP are not expected to have any immediate effect on the NA, NA per Share and gearing of the Group until such time new Shares are issued. Any potential effect on the NA, NA per Share and gearing of the Group in the future will depend on factors such as the actual number of Shares to be issued which can only be determined at the point of the exercise of the ESOS Options and Subscription Price and/ or the vesting of the SGP Award.

Upon vesting of the SGP Award and/ or exercise of the ESOS Options pursuant to the Proposed LTIP, the NA per Share of the Group is expected to:-

- i. increase if the Subscription Price of the ESOS Options or the fair value of the SGP Award is higher than the NA per Share of the Group; or
- ii. decrease if the Subscription Price of the ESOS Options or the fair value of the SGP Award is lower than the NA per Share of the Group,

at such point of exercise and/ or vesting.

For illustrative purposes, based on the latest audited statements of financial position of the Group as at 31 December 2024, the pro forma effects of the Proposed Bonus Issue of Warrants on the NA per Share and gearing of the Group are set out as follows:-

Minimum Scenario

	Audited as at 31 December 2024	Assuming full exercise of Warrants
	RM'000	RM'000
Share capital	1,130,449	1,350,340 ^{*1}
Share option reserve	18,575	18,575
Translation reserve	78,068	78,068
Retained earnings	562,520	562,240 ^{*2}
Shareholders' equity/ NA	1,789,612	2,009,223
Non-controlling interest	402,638	402,638
Total equity	2,192,250	2,411,861
No. of Shares in issue ('000)	3,471,964	4,629,285
NA per Share (RM)	0.52	0.43
Total borrowings (RM'000)	133,316	133,316
Gearing ratio (times)	0.06	0.06

Maximum Scenario

			I	II
	Audited as at 31 December 2024	Assuming full grant and exercise of options under the Existing ESOS		After I and assuming full exercise of Warrants
	RM'000	RM'000		RM'000
Share capital	1,130,449	1,223,923	1,454,742 ^{*3}	
Share option reserve	18,575	-	-	
Translation reserve	78,068	78,068	78,068	
Retained earnings	562,520	562,520	562,240 ^{*2}	
Shareholders' equity/ NA	1,789,612	1,864,511	2,095,050	
Non-controlling interest	402,638	402,638	402,638	
Total equity	2,192,250	2,267,149	2,497,688	
No. of Shares in issue ('000)	3,471,964	3,644,514	4,859,353	
NA per Share (RM)	0.52	0.51	0.43	
Total borrowings (RM'000)	133,316	133,316	133,316	
Gearing ratio (times)	0.06	0.06	0.05	

Notes:-

^{*1} Assuming the full exercise of 1,157,321,485 Warrants (under the Minimum Scenario) at the exercise price of RM0.19 per Warrant.

^{*2} After deducting estimated expenses of RM0.28 million in relation to the Proposals.

^{*3} Assuming the full exercise of 1,214,838,309 Warrants (under the Maximum Scenario) at the exercise price of RM0.19 per Warrant.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK
--

7.5 Substantial shareholders' shareholdings

Assuming that the substantial shareholders are not Grantees, the Proposed Variation and Proposed LTIP will not have an immediate effect on the shareholdings of the substantial shareholders of DNeX until such time when the new Shares are issued pursuant to the Proposed ESOS, which should result in a dilution in their shareholdings. Any potential effect on the substantial shareholdings in DNeX will depend on the actual number of Shares to be issued pursuant to the Proposed ESOS.

For illustrative purposes, the pro forma effects of the Proposed Bonus Issue of Warrants on the substantial shareholders' shareholdings in DNeX are set out below:-

Minimum Scenario

	Shareholdings as at the LPD				Assuming the full exercise of Warrants			
	Direct		Indirect		Direct		Indirect	
Substantial shareholders	No. of Shares	% ^{*1}	No. of Shares	% ^{*1}	No. of Shares	% ^{*2}	No. of Shares	% ^{*2}
Mohd Isa bin Ismail	50,000	0.00	455,000,000 ^{*3}	13.10	66,667	0.00	606,666,667 ^{*3}	13.10
Annedjma Capital Sdn Bhd	96,000,000	2.77	359,000,000 ^{*4}	10.34	128,000,000	2.77	478,666,667 ^{*4}	10.34
Arcadia Acres Sdn Bhd	359,000,000	10.34	-	-	478,666,667	10.34	-	-

Notes:-

^{*1} Based on 3,471,964,456 issued Shares as at the LPD.

^{*2} Based on 4,629,285,941 issued Shares after the Proposed Bonus Issue of Warrants in the Minimum Scenario.

^{*3} Deemed interest by virtue of his shareholding in Annedjma Capital Sdn Bhd and Arcadia Acres Sdn Bhd pursuant to Section 8 of the Act.

^{*4} Deemed interest by virtue of its shareholding in Arcadia Acres Sdn Bhd pursuant to Section 8 of the Act.

Maximum Scenario

	Shareholdings as at the LPD				Assuming full grant and exercise of options under the Existing ESOS			
	Direct		Indirect		Direct		Indirect	
Substantial shareholders	No. of Shares	% ^{*1}	No. of Shares	% ^{*1}	No. of Shares	% ^{*2}	No. of Shares	% ^{*2}
Mohd Isa bin Ismail	50,000	0.00	455,000,000 ^{*4}	13.10	50,000 ^{*6}	0.00	455,000,000 ^{*4}	12.48
Annedjma Capital Sdn Bhd	96,000,000	2.77	359,000,000 ^{*5}	10.34	96,000,000	2.63	359,000,000 ^{*5}	9.85
Arcadia Acres Sdn Bhd	359,000,000	10.34	-	-	359,000,000	9.85	-	-

	Assuming the full exercise of Warrants			
	Direct		Indirect	
Substantial shareholders	No. of Shares	% ^{*3}	No. of Shares	% ^{*3}
Mohd Isa bin Ismail	66,667	0.00	606,666,667 ^{*4}	12.48
Annedjma Capital Sdn Bhd	128,000,000	2.63	478,666,667 ^{*5}	9.85
Arcadia Acres Sdn Bhd	478,666,667	9.85	-	-

Notes:-

^{*1} Based on 3,471,964,456 issued Shares as at the LPD.

^{*2} Based on 3,644,514,928 issued Shares after assuming the full grant and exercise of options under the Existing ESOS in the Maximum Scenario.

^{*3} Based on 4,859,353,237 issued Shares after the Proposed Bonus Issue of Warrants in the Maximum Scenario.

^{*4} Deemed interest by virtue of his shareholding in Annedjma Capital Sdn Bhd and Arcadia Acres Sdn Bhd pursuant to Section 8 of the Act.

^{*5} Deemed interest by virtue of its shareholding in Arcadia Acres Sdn Bhd pursuant to Section 8 of the Act.

^{*6} Strictly for illustrative purposes only, assuming Mohd Isa bin Ismail, who is an Executive Director of the Company, is neither granted nor exercises any Existing ESOS Options. Accordingly, there is no change to his shareholding.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

8. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of DNeX Shares as traded on Bursa Securities for the past 12 months from June 2024 to May 2025 are set out below:-

	High RM	Low RM
2024		
June	0.525	0.430
July	0.470	0.405
August	0.430	0.350
September	0.375	0.330
October	0.395	0.345
November	0.385	0.330
December	0.415	0.345
2025		
January	0.440	0.350
February	0.390	0.260
March	0.320	0.245
April	0.275	0.220
May	0.330	0.260
Last transacted market price of DNeX Shares as at 8 May 2025 (being the latest transacted date prior to the announcement of the Proposals)		0.275
Last transacted market price as at the LPD		0.295

(Source: Bloomberg)

9. APPROVALS REQUIRED/ OBTAINED

The Proposals are subject to the following approvals being obtained:-

- (i) Bursa Securities, for the following:-
- the admission of the Warrants to the Official List of Bursa Securities; and
 - listing and quotation of up to 1,214,838,309 Warrants to be issued pursuant to the Proposed Bonus Issue of Warrants and up to 1,214,838,309 new DNeX Shares to be issued arising from the exercise of the Warrants on the Main Market of Bursa Securities,

the approval of which has been obtained vide Bursa Securities' letter dated 11 June 2025 subject to the following conditions:-

	Conditions	Status of compliance
a.	UOBKH and DNeX and must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Bonus Issue of Warrants;	To be complied
b.	UOBKH to inform Bursa Securities upon the completion of the Proposed Bonus Issue of Warrants;	To be complied
c.	UOBKH to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Bonus Issue of Warrants is completed;	To be complied

	Conditions	Status of compliance
	d. Payment of listing fees, if any, based on the final issue price together with a copy of the details of the computation of the amount of listing fees payable; and	To be complied
	e. UOBKH to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of Warrants as at the end of each quarter together with a detailed computation of listing fees payable.	To be complied
(ii)	The shareholders of DNeX for the Proposals and Proposed Allocation at an EGM to be convened; and	
(iii)	Any other relevant authorities and/ or parties, if required.	

Pursuant to Section 85 of the Act read together with the Constitution of the Company, the shareholders of the Company have statutory pre-emptive rights to be offered any new Shares which rank equally to the existing Shares. By approving the waiver of statutory pre-emptive rights and ordinary resolution in relation to the Proposed Variation which entail the allotment and issuance of new DNeX Shares (arising from the exercise of the ESOS Options) in the Company, the shareholders of the Company are deemed to have waived their statutory pre-emptive rights pursuant to Section 85 of the Act and the Constitution of the Company to be first offered the DNeX Shares which will result in a dilution to their shareholding percentage in the Company.

The Proposed Bonus Issue of Warrants and the Proposed Variation are not conditional upon each other. However, the Proposed Allocation is conditional upon the Proposed Variation but not vice versa.

For the avoidance of doubt, the Proposals are not conditional upon any other proposals undertaken or to be undertaken by the Company.

10. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/ OR PERSONS CONNECTED WITH THEM

None of the Directors, major shareholders, chief executive of DNeX and/ or persons connected with them have any interest, whether direct or indirect, in the Proposed Bonus Issue of Warrants, save for their respective entitlements as shareholders of the Company under the Proposals, which are also available to all other Entitled Shareholders of the Company on a pro-rata basis.

However, under the Proposed Variation and Proposed LTIP, all the Directors of DNeX are entitled to participate in the Proposed LTIP and are therefore deemed interested in the Proposed LTIP to the extent of their respective allocations, if any, as well as allocations to persons connected with them, if any, under the Proposed LTIP.

Accordingly, all the Directors of DNeX who are entitled to participate in the Proposed LTIP have abstained and will continue to abstain from deliberating, expressing an opinion and making any recommendations at all relevant Board meeting(s) in relation to their respective allocations as well as allocations to persons connected to them, if any, under the Proposed LTIP. The Directors of DNeX will also abstain from voting in respect of their respective direct and/ or indirect shareholdings in the Company on the ordinary resolutions pertaining to the Proposed Variation and the Proposed Allocations to them as well as the Proposed Allocations to persons connected to them, if any, under the Proposed Variation to be tabled at the EGM of the Company to be convened. The Directors of DNeX will also undertake to ensure that persons connected to them, if any, will abstain from voting in respect of their direct and/ or indirect shareholdings in the Company on the ordinary resolutions pertaining to the Proposed Variation and the Proposed Allocations to such Directors and chief executive, as well as persons connected to them, if any, under the Proposed Variation to be tabled at the EGM of the Company to be convened.

The major shareholder of DNeX who is entitled to participate in the Proposed LTIP, namely Mohd Isa Bin Ismail (who is also a Director of DNeX) ("**Interested Major Shareholder**"), will abstain from voting in respect of his respective direct and/ or indirect shareholdings in the Company on the ordinary resolutions pertaining to the Proposed Allocations to him as well as the Proposed Allocations to persons connected to him, if any, under the Proposed Variation to be tabled at the EGM of the Company to be convened. The Interested Major Shareholder will also undertake to ensure that persons connected to him, if any, will abstain from voting in respect of their direct and/ or indirect shareholdings in the Company on the ordinary resolutions pertaining to the Proposed Allocations to them and persons connected to them, if any, under the Proposed Variation to be tabled at the EGM of the Company to be convened.

The Chief Executive Officer of DNeX, namely Faizal Sham bin Abu Mansor, who is entitled to participate in the Proposed LTIP, is therefore deemed interested in the Proposed LTIP to the extent of his Proposed Allocation, if any, under the Proposed LTIP. He will abstain from voting in respect of his direct and/ or indirect shareholdings in the Company, if any, on the ordinary resolution pertaining to the Proposed Allocation to him under the Proposed Variation to be tabled at the EGM of the Company to be convened. He will also undertake to ensure that persons connected to him, if any, will similarly abstain from voting in respect of their shareholdings, if any, on the said ordinary resolution.

A person connected to the Interested Major Shareholder, namely Muhammad Saifullah bin Mohd Isa ("**Interested Connected Person**"), is also entitled to participate in the Proposed LTIP and is therefore deemed interested in the Proposed LTIP to the extent of his Proposed Allocation under the Proposed LTIP. Accordingly, the Interested Connected Person will abstain from voting in respect of his direct and/ or indirect shareholdings in the Company, if any, on the ordinary resolution pertaining to the Proposed Allocation to him as well as to the Director and Interested Major Shareholder he is connected to under the Proposed Variation to be tabled at the EGM of the Company to be convened.

The direct and indirect shareholdings of the Directors, chief executive, Interested Major Shareholder and Interested Connected Person of DNeX as at the LPD are as follows:-

	Shareholdings as at the LPD			
	Direct		Indirect	
	No. of Shares	% ^{*1}	No. of Shares	% ^{*1}
<u>Director and Interested Major Shareholder</u>				
Mohd Isa bin Ismail	50,000	0.00	455,000,000 ^{*2}	13.10
<u>Directors</u>				
Tan Sri Dato' Sri Haji Syed Zainal Abidin bin Syed Mohamed Tahir	-	-	-	-
Datuk Johar bin Che Mat	319,550	0.01	-	-
Dato' Robert Fisher	-	-	-	-
Dr. Chen, Wei-Ming	-	-	-	-
Chandramohan Subramaniam	-	-	-	-
Zalina binti Shaher	-	-	-	-
Haslinda binti Hussein	-	-	-	-
<u>Chief executive</u>				
Faizal Sham bin Abu Mansor	200,000	0.06	-	-
<u>Interested Connected Person</u>				
Muhammad Saifullah bin Mohd Isa ^{*3}	-	-	-	-

Notes:-

- ¹ Based on 3,471,964,456 issued Shares as at the LPD.
- ² Deemed interest by virtue of his shareholding in Annedjma Capital Sdn Bhd and Arcadia Acres Sdn Bhd pursuant to Section 8 of the Act.
- ³ Muhammad Saifullah bin Mohd Isa is a person connected to a director of DNeX, by virtue of him being the son of the Interested Major Shareholder (i.e. Mohd Isa bin Ismail), who is an executive director and major shareholder of the Company.

11. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board, after having considered all aspects of the Proposals, which include, but are not limited to, the basis, the rationale and the pro forma effects of the Proposals, is of the opinion that the Proposals are in the best interest of the Company.

However, in view that all the executive and non-executive Directors of DNeX are eligible to participate in the Proposed LTIP, all the Directors of DNeX have therefore abstained from deliberating and making any recommendations at all relevant Board meetings in relation to their Proposed Allocations as well as to Proposed Allocations to persons connected to them (who are Eligible Persons), if any, under the Proposed LTIP. They will also abstain and ensure that persons connected to them, if any, abstain from voting in respect of their direct and/ or indirect interests in DNeX, on the resolutions pertaining to their respective Proposed Allocations as well as Proposed Allocations to persons connected to them (who are Eligible Persons), if any, under the Proposed LTIP at the EGM of the Company.

Where the resolutions do not pertain to their respective Proposed Allocations or to persons connected to them under the Proposed LTIP, the Board recommends that you **vote in favour** of the resolutions pertaining to the Proposals and Proposed Allocations to be tabled at the forthcoming EGM.

12. ESTIMATED TIMEFRAME FOR COMPLETION AND TENTATIVE TIMETABLE FOR IMPLEMENTATION

Barring any unforeseen circumstances and subject to all required approvals being obtained, the Proposals are expected to be completed by the third quarter of 2025.

The tentative timetable for the implementation of the Proposals are set out below:-

Date	Events
26 June 2025	<ul style="list-style-type: none">• Convening of EGM to obtain the approval of shareholders of DNeX• Completion of the Proposed Variation
July 2025	<ul style="list-style-type: none">• Announcement of the Entitlement Date• Entitlement Date• Listing and quotation of the Warrants on the Main Market of Bursa Securities• Completion of the Proposed Bonus Issue of Warrants

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

13. PROPOSALS ANNOUNCED BUT PENDING COMPLETION

Save as disclosed below, and for the Proposals (being the subject matter of this Circular), the Board confirms that there are no other outstanding corporate exercises that have been announced through Bursa Securities but not yet completed prior to the despatch of this Circular.

On 29 April 2025, the Board announced that the Company was proposing to seek its shareholders' approval for the proposed change of the Company's name from "Dagang NeXchange Berhad" to "DNEX Berhad" ("**Proposed Change of Name**"). The proposed name, "DNEX Berhad", had been approved by the Companies Commission of Malaysia ("**CCM**") on 29 April 2025 for a period of 30 days from the date of approval.

The Proposed Change of Name is subject to the approval of the shareholders of DNEX at the forthcoming 54th annual general meeting of the Company, scheduled to be held on 26 June 2025. The Proposed Change of Name, if approved by the shareholders of the Company, will take effect from the date of the Notice of Registration of New Name issued by the CCM to the Company.

14. EGM

The EGM, the notice of which is enclosed in this Circular, will be conducted at The Summit 2, Level M1, The Vertical, Connexion Conference & Event Centre, Bangsar South City, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia on Thursday, 26 June 2025 at 11.00 a.m. (or immediately following the conclusion or adjournment of the Fifty-Fourth Annual General Meeting of the Company scheduled to be held on the same day at 10.00 a.m., whichever is later) for the purpose of considering and if thought fit, passing with or without modification, the resolution to give effect to the Proposals.

If you are unable to attend, participate and vote in person at the EGM, you are requested to complete, sign and return the enclosed Form of Proxy in accordance with the instructions contained therein, to be deposited at the office of the Share Registrar of the Company, GAP Advisory Sdn. Bhd. at E-10-4, Megan Avenue 1, 189, Jalan Tun Razak, 50400 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia or email to ir.shareregistry@gapadvisory.my not less than forty-eight (48) hours before the time appointed for holding the EGM or any adjournment thereof. The lodging of the Form of Proxy shall not preclude you from participating and voting in person at the forthcoming EGM should you subsequently wish to do so.

15. FURTHER INFORMATION

Shareholders are advised to refer to the appendices set out in this Circular for further information.

Yours faithfully,
For and on behalf of the Board
DAGANG NeXCHANGE BERHAD

TAN SRI DATO' SRI HAJI SYED ZAINAL ABIDIN BIN SYED MOHAMED TAHIR
Non-Independent Non-Executive Chairman

APPENDIX I – INDICATIVE SALIENT TERMS OF THE DEED POLL

The indicative salient terms of the free Warrants to be issued pursuant to the Proposed Bonus Issue of Warrants as set out in the Deed Poll, are as follows:-

Terms	Details
Issue size	: Up to 1,214,838,309 Warrants.
Issue Price	: The Warrants will be issued at no cost to the Entitled Shareholders.
Form and denomination	: The Warrants will be issued in registered form and will be constituted by the Deed Poll.
Board lot	: For the purpose of trading on Bursa Securities, a board lot of Warrants shall be 100 Warrants carrying rights to subscribe for 100 new DNeX Shares at any time during the exercise period, or such other denomination as may be determined by Bursa Securities.
Exercise right	: Each Warrant entitles Warrant Holders to subscribe for 1 new DNeX Shares at any time during the exercise period and at the exercise price, subject to the terms and conditions of the Warrants as set out in the Deed Poll.
Exercise price	: RM0.19, being the amount payable in respect of each new DNeX Share to which a Warrant Holder is entitled to subscribe for on exercise of the exercise right represented by the Warrant involving such new DNeX Share, or such price as adjusted under the provisions of the Deed Poll.
Exercise period	: Five (5) years commencing on and including the date of issuance of the Warrants and ending at 5.00 p.m. in Kuala Lumpur on the date preceding the fifth (5th) anniversary of the date of issuance, or if such day is not a market day, then it shall be the market day immediately preceding the said non-market day. Any Warrants not exercised during the exercise period will thereafter lapse and cease to be valid. A "Market Day" refers to a day on which the stock market of Bursa Securities is open for trading in securities, which may include a Surprise Holiday. A "Surprise Holiday" refers to a day that is declared as a public holiday in the Federal Territory of Kuala Lumpur that has not been gazetted as a public holiday at the beginning of the calendar year.
Mode of exercise	: The Warrant Holders are required to lodge a duly completed and signed exercise form with the Company's share registrar, either physically during normal business hours or electronically via the share registrar's website. This must be accompanied by full payment of the exercise price in RM by way of banker's draft, cashier's order (drawn on a bank operating in Malaysia), money order or postal order (issued by a post office in Malaysia), or via interbank/ internet bank transfer to the designated bank account. The Warrants to be exercised must be designated as free securities in the Warrant Holder's securities account. Partial payments will not be accepted, and the exercise will be invalid until full payment is received.

APPENDIX I – INDICATIVE SALIENT TERMS OF THE DEED POLL

Terms	Details
Participating rights of the Warrant Holders	: The Warrant Holders are not be entitled to vote in any general meeting of the Company or to participate in any dividends, rights, allotments and/ or other forms of distribution and/ or offer of further securities in the Company other than on winding-up, compromise or arrangement of the Company as provided in the Deed Poll until and unless the Warrant Holders exercise their Warrants into new DNeX Shares or unless otherwise provided in Deed Poll or unless otherwise resolved by DNeX in a general meeting.
Adjustment in the exercise price and/ or number of Warrants	: The exercise price and/ or the number of Warrants in issued shall from time to time be adjusted, calculated or determined by the Board in consultation with an approved principal adviser and/ or auditors and certified by the auditors or adviser in accordance with the provisions of the Deed Poll. All such adjustments shall be made in full compliance with Paragraph 6.54(3)(b) of the Listing Requirements.
Transferability	: The Warrants will only be transferable in the manner set out in the Deed Poll subject always to the provisions of the Securities Industries (Central Depositories) Act, 1991 and the rules of Bursa Malaysia Depository Sdn Bhd, as amended and revised from time to time.
Rights in the event of winding-up, liquidation, compromise and/ or arrangement	: Where a resolution has been passed for a members' voluntary winding up of the Company or where there is a compromise or arrangement (whether or not for the purpose of or in connection with a scheme for the reconstruction of the Company, amalgamation or merger of the Company with one or more companies) then:- (i) for the purposes of such winding up, compromise or arrangement to which the Warrant Holders, or some persons designated by them for such purpose by a special resolution, shall be a party, the terms of such winding up, compromise or arrangement shall be binding on all the Warrant Holders; or (ii) in any case and to the extent permitted by law, every Warrant Holder shall be entitled (upon and subject to the conditions of the Deed Poll) at any time within six (6) weeks after the passing of such resolution for a members' voluntary winding-up of the Company or six (6) weeks after the granting of the court order approving the compromise or arrangement (but in both cases, not later than the end of the exercise period), by the irrevocable surrender on a Market Day of its/ his Warrants to the Company by submitting the duly completed and executed exercise form(s) authorising the debiting of its/ his/ her Warrants, together with payment of the relevant exercise price, to elect to be treated as if it/ he/ she had immediately prior to the commencement of such winding-up, compromise or arrangement exercised the exercise rights represented by such Warrants to the extent specified in the exercise form(s) and be entitled to receive out of the assets of the Company which would be available in liquidation as if it/ he/ she had on such date been the holder of the DNeX Shares to which it/ he/ she would have become entitled pursuant to such exercise and the liquidator of the Company shall give effect to such election accordingly. Upon the expiry of the above six (6) weeks, all exercise rights of the Warrants shall lapse and cease to be valid for any purpose. If the Company is wound up by way of members' voluntary winding up or an order has been granted for such compromise or arrangement, all exercise rights which have not been exercised within 6 weeks of either the passing of such a resolution for winding up or the granting of the court order for the approval of such compromise or arrangement, as the case may be, shall lapse and the Warrants will cease to be valid for any purpose. If the Company is wound up (other than by way of a members' voluntary winding up), all exercise rights which have not been exercised prior to the date of commencement of the winding up shall lapse and the Warrants will cease to be valid for any purpose.

APPENDIX I – INDICATIVE SALIENT TERMS OF THE DEED POLL

Terms	Details
Modifications of rights of the Warrant Holders	<p>The Company may, from time to time, subject to the terms and conditions of the Deed Poll, without the consent or sanction of the Warrant holders, modify, amend or add to the Deed Poll, if such modification, amendment or addition made does not materially prejudice the interests of the Warrant holders or is made to correct a manifest error or to comply with the prevailing laws of Malaysia.</p> <p>Save for the above, any modification, amendment, deletion or addition to the Deed Poll shall require the approval of the Warrant Holders sanctioned by special resolution and may be effected only by a supplemental deed poll executed by the Company and expressed to be supplemental to the Deed Poll and subject to the applicable laws, Listing Requirements and approval of the relevant authorities, if necessary.</p>
Listing status	: The Warrants will be listed and quoted on the Main Market of Bursa Securities.
Governing Laws	: The Deed Poll is governed by the laws and regulations of Malaysia.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

DAGANG NeXCHANGE BERHAD
AMENDED AND RESTATED BY-LAWS
FOR THE LONG-TERM INCENTIVE PLAN COMPRISING EMPLOYEES' SHARE OPTION
SCHEME AND SHARE GRANT PLAN

1. DEFINITIONS AND INTERPRETATIONS

1.1 In these By-Laws, unless otherwise specified, the following definitions shall, where the context so admits, be deemed to have the following meanings:-

"Act"	: Companies Act 2016 and any amendments made thereto from time to time and all regulations made thereunder and re-enactment thereof
"Adviser"	: A person who is permitted to carry on the regulated activity of advising corporate finance under the Capital Markets and Services Act 2007 to act as a Principal Adviser as defined in the Securities Commission Malaysia's Licensing Handbook (Chapter 7A)
"Auditor"	: An approved company auditor (as defined in Section 263 of the Act) of the Company for the time being or such other external auditors as may be nominated by the Board
"Authorised Nominee"	: A person who is authorised to act as a nominee as specified in accordance with the schedule prescribed under Part VIII of the Rules of Bursa Depository
"Board"	: The Board of Directors of the Company, as may be constituted from time to time
"Bursa Depository"	: Bursa Malaysia Depository Sdn. Bhd. [Registration No. 198701006854 (165570-W)]
"Bursa Securities"	: Bursa Malaysia Securities Berhad [Registration No. 200301033577 (635998-W)]
"By-Laws"	: The terms and conditions governing the Scheme, as may be amended, modified and/or supplemented from time to time and to be adopted pursuant to By-Law 13
"CDS"	: A Central Depository System governed under the Central Depositories Act
"CDS Account"	: An account established by Bursa Depository for a depositor for the recording of deposit of securities and dealings in such securities by that depositor of securities
"Central Depositories Act"	: Securities Industry (Central Depositories) Act 1991
"Company" or "DNeX"	Dagang NeXchange Berhad [Registration No. 197001000738 (10039-P)] or such name as may be adopted from time to time
"Constitution"	: Constitution of the Company

APPENDIX II – DRAFT LTIP BYLAWS

"Corporation"	:	Shall have the same meaning ascribed to it in Section 3 of the Act
"Date of Allocation"	:	A date to be determined by the LTIP Committee to be the date on which a Selected Person is deemed eligible to participate in the Scheme
"Date of Expiry"	:	The last day of an LTIP Period, which shall be no later than the Duration Expiry Date
"Date of Offer"	:	The date of the Offer Letter, being the date on which a Selected Person is deemed to have been notified of an Offer by the LTIP Committee
"Director"	:	A natural person who holds a directorship in an executive or a non-executive capacity in any company within the Group
"Disciplinary Proceedings"	:	Means proceedings instituted against a Selected Person for any alleged negligence, misbehavior, misconduct, fraud, financial misstatement, reputational damage and/or any other act of the Selected Person deemed to be unacceptable by DNeX or any of its subsidiaries in the course of that Selected Person's employment, whether or not such proceedings may give rise to a dismissal or termination of the contract of service of such Selected Person
"Duration of the Scheme"	:	The duration of the Scheme as defined in By-Law 17 and includes any extension or renewal thereof
"Duration Expiry Date"	:	The last day of the Duration of the Scheme pursuant to By-Law 17 hereof unless earlier terminated pursuant to By-Law 18. If such date is not a Market Day, then it shall be the Market Day immediately preceding the said non-Market Day, but excluding those days during that period on which the Record of Depositors is closed
"Effective Date"	:	The date of commencement of the Scheme, being the date of full compliance with all the relevant requirements as stated in By-Law 17. For the avoidance of doubt, irrespective that the Effective Date of the ESOS and SGP are different, the Duration of the Scheme applies to both ESOS and SGP, both of which will expire on the Duration Expiry Date
"Eligible Person"	:	Any Director or Employee of DNeX Group who meet the eligibility criteria to participate in the Scheme as set out in By-Law 3.1 c
"Employee"	:	Any person who is employed by any Corporation of the Group and is on the payroll of the Group including any Director of the DNeX Group
"Entitlement Date"	:	The date as of the close of business on which, shareholders whose names must appear in the record of depositors of the Company maintained at Bursa Depository in order to participate in any dividend, right, allotment and/or any other forms of distribution
"ESOS"	:	The employees' share option scheme, a component of the Scheme as more particularly set out in Part B of these By-Laws

APPENDIX II – DRAFT LTIP BYLAWS

"ESOS Option"	:	The right of a Grantee to subscribe for new Shares at the Subscription Price and where the context so requires, means any part of the ESOS Option as shall remain unexercised
"Government"	:	The government of Malaysia
"Grant"	:	The Offer which has been accepted by the Selected Person
"Grantee"	:	A Selected Person who has accepted the Offer in accordance with the provisions of By-Law 34 and/or By-Law 38 (as the case may be)
"Group" or "DNeX Group"	:	The Company and its subsidiaries incorporated in Malaysia as defined in Section 4 of the Act (excluding subsidiaries which are dormant) and any Malaysian incorporated subsidiary (excluding subsidiaries which are dormant) incorporated or acquired at any time during the Duration of the Scheme and where the context so requires, any one of them
"Listing Requirements"	:	Main Market Listing Requirements of Bursa Securities including any amendments thereto that may be made from time to time
"LTIP" or "Scheme"	:	The DNeX's Long Term Incentive Plan comprising the ESOS and SGP on the terms as set out in these By-Laws
"LTIP Committee"	:	The committee comprising such persons as may be duly appointed and authorised by the Board, to administer the Scheme in accordance with the provisions of By-Law 12
"Market Day"	:	Any day between Monday and Friday, including both days, excluding public holidays or surprise holiday*, and on which is a trading day on Bursa Securities *A "surprise holiday" refers to a public holiday declared in the Federal Territory of Kuala Lumpur that has not been gazetted as a public holiday at the start of the calendar year
"Market value"	:	means the volume weighted average market price of the DNeX Shares for such period preceding or following such date as the Board shall at its absolute discretion determine
"Maximum Allowable Allocation"	:	Shall have the same meaning as ascribed to it in By-Law 4.1(b)
"Notice of Exercise"	:	Shall have the same meaning as ascribed to it in By-Law 36.3
"Offer"	:	An offer made in writing by the LTIP Committee under Part B and/or Part C, as the case may be, to a Selected Person
"Offer Letter"	:	A letter of offer to Eligible Person(s) issued pursuant to an Offer made by the LTIP Committee under Part B and/or Part C, as the case may be, of these By-Laws
"Offeror"	:	Shall have the same meaning as ascribed to it in By-Law 9(a)
"LTIP Period"	:	The period during which an ESOS Option may be vested and/or exercised and/or a SGP may be vested as may be specified in the Offer

APPENDIX II – DRAFT LTIP BYLAWS

"Persons Connected"	:	Has the same meaning as that assigned to "Person Connected" in paragraph 1.01 of the Listing Requirements
"Rules of Bursa Depository"	:	The rules of Bursa Depository, as issued pursuant to the Central Depositories Act
"Selected Person"	:	An Eligible Person to whom an Offer is being made pursuant to Part B and/or Part C, as the case may be
"SGP"	:	The employee share grant plan, a component of the Scheme as more particularly set out in Part C of these By-Laws
"SGP Award"	:	The grant of an award of such number of Shares pursuant to the SGP to the Selected Person who has accepted the Offer
"Share(s)"	:	Ordinary share(s) of the Company
"Subscription Price"	:	The price at which the Grantee shall be entitled to subscribe for a new Share as set out in By-Law 35
"Subsidiary(ies)"	:	Shall have the meaning ascribed to it under Section 4 of the Act
"Trust"	:	The trust that may be established to facilitate the implementation of the Scheme
"Trust Deed"	:	The trustee(s) or its authorised nominee that may be appointed by the Company for the Scheme from time to time
"Vesting conditions"	:	The conditions which are required to be fulfilled by a Grantee before the ESOS Option(s) and/or SGP Award(s) is capable of being vested onto the Grantee pursuant to the terms of these By-Laws

1.2 In these By-Laws:-

- (a) any reference to a statutory provision shall include any subsidiary legislation made from time to time under that provision and any Listing Requirements, policies and/or guidelines of Bursa Securities and/or other relevant authorities respectively (in each case, whether or not having the force of law but, if not having the force of law, the compliance with which is in accordance with the reasonable commercial practice of persons to whom such requirements, policies and/or guidelines are addressed to by Bursa Securities and/or other relevant authorities);
- (b) any reference to a statutory provision shall include that provision as from time to time modified or re-enacted whether before or after the date of these By-Laws so far as such modification or re-enactment applies or is capable of applying to any ESOS Options and/or SGP offered and accepted prior to the Date of Expiry and shall include also any past statutory provision (as from time to time modified or re-enacted) which such provision has directly or indirectly replaced;
- (c) words importing the singular meaning where the context so admits include the plural meaning and vice versa;
- (d) words of the masculine gender include the feminine gender and all such words shall be construed interchangeably in that manner;
- (e) any liberty or power which may be exercised or any determination which may be made hereunder by the Board or the LTIP Committee may be exercised at the Board's or LTIP Committee's discretion and the LTIP Committee shall not be under any obligation to give any reasons thereof, except as may be required by the relevant authorities;

APPENDIX II – DRAFT LTIP BYLAWS

- (f) if an event is to occur on a stipulated day which is not a Market Day, then the stipulated day will be taken to be the first Market Day after that day PROVIDED ALWAYS if such date shall fall beyond the Duration of the Scheme, then the stipulated day shall be taken to be the preceding Market Day;
 - (g) any reference to "assets" of any person shall be construed as a reference to the whole or any part of its business, undertaking, property, assets and revenues (including any right to receive revenues);
 - (h) any reference to the Company and/or other person shall include a reference to the successors-in-title and permitted assigns;
 - (i) headings in these By-Laws are for convenience only and shall not be taken into account in the interpretation of these By-Laws; and
 - (j) a "day" or "month" means a calendar day or calendar month.
 - (k) unless otherwise stated herein and whenever applicable, the currency adopted for any matter referred to in these By-Laws is RM and sen, being the lawful currency of Malaysia.
- 1.3 These By-Laws amend and replace the Company's By-Laws approved by the shareholders of the Company on 1 April 2021 and adopted on 6 April 2021.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK
--

PART A: GENERAL PROVISIONS OF THE SCHEME

1A. NAME OF THE SCHEME

This Scheme shall be called the "DNeX Long Term Incentive Plan" and shall comprise the ESOS and SGP.

1B. APPLICATION OF PART A

Unless otherwise expressly provided, the provisions of this Part A shall apply generally to the ESOS and the SGP.

2. MAXIMUM NUMBER OF SHARES AVAILABLE UNDER THE SCHEME

2.1 Subject to By-Law 2.2, the maximum number of Shares to be made available, allotted and/or issued pursuant to the LTIP that may be granted under the Scheme shall not exceed in aggregate five percent (5%) of the prevailing total number of issued shares of the Company (excluding treasury shares) at any point in time when an Offer is made throughout the Duration of the Scheme. The Company and/or LTIP Committee will for the Duration of the Scheme make available sufficient number of new Shares in the unissued share capital of the Company to satisfy all subsisting ESOS Options which may be exercisable from time to time.

2.2 Notwithstanding the provisions of By-Law 2.1 or any other provision herein contained, in the event the maximum number of Shares comprised in the Grants granted under the Scheme exceeds the aggregate of five percent (5%) of the prevailing issued share capital of the Company (excluding treasury shares) as a result of the Company purchasing, cancelling or reducing its own Shares in accordance with the provisions of Section 127 of the Act or any other corporate proposal and thereby diminishing its issued share capital, then such Grants granted prior to the adjustment of the issued share capital of the Company shall remain valid and exercisable in accordance with the provisions of the Scheme. However, in such a situation, the Company shall not make any more new Offers until the total number of Shares under the subsisting Grants including Shares that have been issued under the Scheme falls below five percent (5%) of the Company's issued share capital (excluding treasury shares).

2.3 The Shares which are the subject of Offer Letters and/or Grants which have lapsed and not vested or which Offer Letters have been surrendered for cancellation without exercise of ESOS Options or vesting of SGP Grants and accepted by the Company for any reason whatsoever may be the subject of further Offers made by the LTIP Committee under the Scheme.

3. ELIGIBILITY

3.1 Subject to the discretion of the LTIP Committee, only the Eligible Persons who fulfil the following conditions shall be eligible to participate in the Scheme and qualify for selection by the LTIP Committee:

(a) in respect of an Employee, the Employee must fulfil the following conditions at the Date of Allocation (where applicable):

(i) the Employee shall have attained the age of eighteen (18) years and neither an undischarged bankrupt nor subject to any bankruptcy proceedings;

APPENDIX II – DRAFT LTIP BYLAWS

- (ii) the Employee is employed on a full time basis and is on the payroll of any Corporation within the DNeX Group and his/her employment has been confirmed or the Employee is serving in a specific designation under an employment contract for a fixed duration of not less than one (1) year;
 - (iii) the Employee is not a participant of any other employee share option scheme implemented by any Corporation within the DNeX Group which is in force for the time being; and
 - (iv) the Employee has fulfilled any other eligibility criteria and/or falls within such grade/category as may be determined by the LTIP Committee at its sole discretion from time to time.
 - (b) in respect of a Director, the Director must fulfil the following conditions at the Date of Allocation (where applicable):
 - (i) the Director shall have attained the age of eighteen (18) years and neither an undischarged bankrupt nor subject to any bankruptcy proceedings;
 - (ii) the Director has been appointed as a Director of DNeX or any Corporation in the Group, which is not dormant;
 - (iii) the Director is not a participant of any other employee share option scheme implemented by any Corporation within the DNeX Group which is in force for the time being; and
 - (iv) the Director has fulfilled any other eligibility criteria and/or falls within such grade/category as may be determined by the LTIP Committee at its sole discretion from time to time.
 - (c) in respect of Eligible Persons who are not Malaysian citizens, such Eligible Person having obtained the required approvals from the relevant authorities (if required), subject to compliance with the By-Laws, as applicable.
- 3.2 Nothing herein shall invalidate any selection of any Eligible Person which may have been made by the Board on or prior to the Effective Date. For the avoidance of doubt, the LTIP Committee may determine any other eligibility criteria and/or waive any of the conditions of eligibility as set out in By-Law 3.1, for purposes of selecting an Eligible Person at any time and from time to time, in the LTIP Committee's discretion.
- 3.3 The selection of any Eligible Person for participation in the Scheme and the number of ESOS Options and/or Shares under the SGP to be offered to an Eligible Person under the Scheme shall be made by the LTIP Committee at its sole and absolute discretion and the decision of the LTIP Committee shall be final and binding.
- 3.4 Notwithstanding anything set out in these By-Laws and subject to the Listing Requirements, no Offers may be granted to any person who is a director, a major shareholder, chief executive of the Company, or a Person Connected with a director, major shareholder or chief executive of the Company, unless the specific grant of that Offer to that person shall have previously been approved by the shareholders of the Company in a general meeting where such director, major shareholder or chief executive of the Company shall not have voted and shall have procured such Person(s) Connected not to have voted on the resolution approving that specific grant.
- 3.5 Eligibility, however, does not confer on an Eligible Person a claim or right to participate in the Scheme unless the LTIP Committee has made an offer to the Eligible Person under By-Law 33 and/or By-Law 37 and the Eligible Person has accepted the Offer in accordance with the terms of the Offer and the Scheme.

APPENDIX II – DRAFT LTIP BYLAWS

- 3.6 The LTIP Committee may in its discretion revoke or suspend the nomination of any Eligible Person at any time and from time to time, whereupon such Eligible Person shall henceforth cease to be eligible for any Offers under this Scheme.
- 3.7 For the avoidance of doubt, the following persons are not Eligible Persons and do not qualify for participation in the Scheme:
- (a) subject to By-Law 14 below, employees of a Corporation which has ceased to be within DNeX Group; and
 - (b) a Director or Employee of a corporation within the DNeX Group which is dormant.
- 3.8 Directors and Employees of DNeX Group may be eligible to participate in either or both the ESOS and/or the SGP, as may be determined by the LTIP Committee.
- 3.9 Where an Offer is to an Eligible Person who is a member of the LTIP Committee, such Offer shall be decided and carried out by the LTIP Committee PROVIDED ALWAYS that such Eligible Person and persons connected to him/her who are also members of the LTIP Committee shall abstain from all deliberations and voting in respect of the Offer proposed to be offered or awarded to him/her or the vesting of ESOS Options and/or Shares under the SGP to him/her at the relevant LTIP Committee meetings.

4. BASIS OF ALLOTMENT AND MAXIMUM ALLOWABLE ALLOCATION OF SHARES

- 4.1 Subject to any adjustments which may be made under By-Law 10, the aggregate number of Shares comprised in the ESOS Options and/or SGP to be offered and/or allotted to an Eligible Person in accordance with the Scheme shall be determined at the sole and absolute discretion of the LTIP Committee after taking into consideration, amongst other factors, the Selected Person's performance, seniority, the number of years in service and such other factors that the LTIP Committee may deem relevant in its discretion, subject to the following:-
- (a) that the number of Shares made available, allotted and/or issued pursuant to the ESOS Option and/or SGP (as the case may be) under the Scheme shall not exceed the amount stipulated in By-Law 2.1;
 - (b) the allocation to any individual Selected Person who, either singly or collectively through Persons Connected with him, holds twenty per cent (20%) or more in the issued shares of the Company (excluding treasury shares, if any), does not exceed ten percent (10%) of the total number of Shares available under the Scheme at any point in time when an Offer is made ("**Maximum Allowable Allocation**");
 - (c) the Eligible Person including the Directors and Employees of the Group do not participate in the deliberation or discussion of their own allocations of ESOS Options and/or SGP awards (as the case may be) as well as allocation to Persons Connected with them, if any, under the Scheme; and
 - (d) that at any one time during the Duration of the Scheme, not more than 50% of the total number of ESOS Options and Shares under SGP available under the Scheme could be allocated, in aggregate to the Directors and senior management of the Group who are Selected Persons,
- provided always that it is in compliance with the Listing Requirements, any prevailing guidelines, rules, regulations or requirements as amended from time to time issued by any other relevant regulatory authorities.
- 4.2 At the time the Offer is made in accordance with Part B and/or Part C, the LTIP Committee shall set out, among others, the basis of allocation, identifying the category or grade of the Employee and the Maximum Allowable Allocation for the Selected Person.

APPENDIX II – DRAFT LTIP BYLAWS

- 4.3 Any Selected Person who holds more than one position within the Group and by holding such positions such Selected Person is in more than one category, such Selected Person shall only be entitled to the Maximum Allowable Allocation of any one category. The LTIP Committee shall be entitled at its discretion to determine the applicable category.
- 4.4 In the event that a Selected Person is promoted, the Maximum Allowable Allocation corresponding to the category of Employee which such Selected Person falls within as at the Date of Allocation, subject always to the maximum number of Shares as stipulated under By-Law 2.1.
- 4.5 The LTIP Committee may at its sole and absolute discretion decide whether the granting of the Grants to the Eligible Person will be based on staggered granting over the Duration of the Scheme or in one (1) single grant, and/or whether the Grant(s) are subject to any vesting period, and if so, to determine the vesting conditions for the Grant(s), of which such determination will be carried out after the establishment of the Scheme and the formation of the LTIP Committee.
- 4.7 The allocation of ESOS Options and Shares under the SGP pursuant to the Scheme shall be verified by the Company's Audit Committee, as being in compliance with the criteria set out in these By-Laws (where relevant) at the end of each financial year of the Company.
- 4.8 If any Eligible Person is a member of the LTIP Committee, such Eligible Person shall not participate in the deliberation or discussion of his/her allocations as well as persons connected with them, if any.

5. NON-ASSIGNABLE

- 5.1 The Grant, ESOS Option and/or the SGP award (as the case may be) thereunder is personal to the Grantee. Save and except as provided in By-Law 15.4, prior to the allotment and/or transfer to the Grantees of the Shares to which the Grant relates, the Grant, ESOS Options and SGP award cannot be assigned, encumbered, transferred or otherwise disposed of in any manner whatsoever. Any attempt to transfer, assignment, disposal or encumbrance shall result in the automatic cancellation of the Grant, ESOS Option and SGP award thereunder.

6. RIGHTS OF A GRANTEE

- 6.1 The unexercised ESOS Options and/or unvested Shares under the SGP (as the case may be) shall not carry any right to attend or vote at any general meeting of the Company until and unless such Shares have been issued, allotted and/or transferred and credited into the CDS Account of the Grantee.
- 6.2 A Grantee shall not be entitled to any dividend, right, allotment or any other forms of distribution on his unexercised ESOS Options and/or unvested Shares under the SGP (as the case may be).

7. RIGHTS ATTACHING TO NEW SHARES

- 7.1 The new Shares to be allotted and issued upon the exercise of the ESOS Options will, upon allotment, issuance and full payment, rank equally in all respects with the existing Shares, save and except that the new Shares will not be entitled to any dividends, rights, allotments and/or any other forms of distributions where the Entitlement Date precedes the relevant date of allotment and issuance of the said Shares and are subject to all provision in the Constitution and Listing Requirements, if any.
- 7.2 The Grantees will not be entitled to any dividends, rights, allotments and/or any other forms of distributions until and unless such Grantees exercise their ESOS Options into new Shares and in the case of SGP until and unless such SGP awards are vested on such Granted and such Shares are credited into the Grantees' respective CDS Accounts.

APPENDIX II – DRAFT LTIP BYLAWS

7.3 The new Shares allotted or Shares transferred and credited into the CDS Accounts would also carry rights to vote at any general meeting of the Company provided that the shareholder is registered on the Entitlement Date as at the close of business to be entitled to attend and vote at the general meeting.

7.4 The Shares shall be subjected to all the provisions of the Constitution of the Company in relation to their issuance and allotment, transfer, transmission or otherwise.

8. RETENTION PERIOD

8.1 The Shares to be issued and allotted or transferred to a Grantee pursuant to the Scheme will not be subject to any retention period or restriction on transfer, disposal and/or assignment. However, the Grantees are encouraged to hold the Shares as a long-term investment and not for any speculative and/or realisation of immediate gain.

8.2 Notwithstanding the above, a non-executive Director must not sell, transfer or assign Shares obtained through the exercise of ESOS Options and/or SGP grant within one (1) year from the Date of Offer.

9. TAKEOVER AND COMPULSORY ACQUISITION

In the event of:-

- (a) a takeover offer being made for the Company through a general offer to acquire the whole of the issued share capital of the Company (or such part thereof not at the time owned by the person making the general offer ("**Offeror**") or any persons acting in concert with the Offeror); or
- (b) the Offeror becoming entitled or bound to exercise the right of compulsory acquisition of Shares under the provisions of any statutes, rules and/or regulations applicable at that point of time and gives notice to the Company that it intends to exercise such right on a specific date,

the LTIP Committee may at its discretion to the extent permitted by law vest all Grants and allow the exercise of any unexercised ESOS Options (or any part thereof) by the Grantee at any time subject to such terms and conditions as may be prescribed notwithstanding that:-

- (aa) the date on which the Grantee becomes entitled to the Shares under the SGP and/or exercise the ESOS Options or any part thereof is not due or has not occurred; and/or
- (bb) the LTIP Period has not commenced; and/or
- (cc) other terms and conditions set out in the Offer have not been fulfilled/satisfied.

10. ALTERATION OF SHARE CAPITAL AND ADJUSTMENT

10.1 Notwithstanding anything contained in these By-Laws and subject to any applicable laws and the Main Market Listing Requirements, in the event of any alteration in the capital structure of the Company during the Duration of the Scheme, whether by way of capitalisation issues, rights issues, bonus issues, subdivision or consolidation of Shares or reduction of capital or any other variation of capital, the Company shall have the absolute discretion and accordingly assess the practicality of complying with the requirement to cause such corresponding adjustments (if any) to be made to:-

- (a) the number of Shares which a Grantee shall be vested and/or exercisable under the ESOS Option(s) (excluding ESOS Options already exercised) and/or SGP award(s); and/or

APPENDIX II – DRAFT LTIP BYLAWS

(b) the Subscription Price,

provided always that: -

- (i) on any such adjustment the resultant Subscription Price, if not an integral multiple of one (1) sen shall be rounded down to the nearest one (1) sen;
- (ii) upon any adjustment being made pursuant to these By-Laws, the LTIP Committee shall within thirty (30) days of the effective date of the alteration in the capital structure of the Company notify the Grantee (or his legal or personal representatives where applicable) in writing informing him of the adjusted Subscription Price thereafter in effect and/or the revised number of Shares (where applicable);
- (iii) in determining a Grantee's entitlement to Shares, any fractional entitlement will be disregarded; and
- (iv) if fraction arises upon calculation of the adjusted number of Shares, the adjusted number so calculated shall be rounded down to the nearest whole number.

Any adjustments to the Subscription Price and/or the number of Shares comprised in the ESOS Options and SGP awards so far as unvested and/or unexercised (as the case may be) other than bonus issue, subdivision or consolidation of shares, must be confirmed in writing by the external auditors of the Company or the Company's Adviser.

Should there be other circumstances which give rise to a consideration for adjustments to the Subscription Price or the number of Shares in favour of all Grantees, but it is decided that no adjustments will be made, such decision must be made known to all the Grantees via a timely notice subject to compliance with the Listing Requirements.

10.2 In addition to By-Law 10.1 and not in derogation thereof, the Subscription Price and the number of Shares relating to the ESOS Options and SGP awards so far as unexercised shall from time to time be adjusted in accordance with the following relevant provisions in consultation with an Auditor and/or Adviser of the Company:-

- (a) if and whenever a Share by reason of any consolidation or subdivision or conversion shall have a different share value, the Subscription Price shall be adjusted and the additional number of Shares relating to the ESOS Option / SGP award (where applicable) to be issued and/or transferred (as the case may be) shall be calculated in accordance with the following formula:-

$$\text{New Subscription Price} = S \times \left(\frac{\text{Revised Share value for each Share}}{\text{Original Share value for each Share}} \right)$$

Where S = existing Subscription Price

$$\text{Number of Additional Shares} = T \times \left(\frac{\text{Original Share value for each Share}}{\text{Revised Share value for each Share}} \right) - T$$

Where T = existing number of Shares relating to the ESOS Option and/or SGP awards

Each such adjustment will be effective from the close of business on the Market Day next following the date on which the consolidation or subdivision or conversion becomes effective (being the date on which the Shares are traded on Bursa Securities at the new Share value) or such other date as may be prescribed by Bursa Securities.

APPENDIX II – DRAFT LTIP BYLAWS

- (b) If and whenever the Company shall make any issue of new Shares to ordinary shareholders credited as fully paid, by way of bonus issue or capitalisation of profits or reserves (whether of a capital or income nature and including any share premium account and capital redemption reserve fund), the Subscription Price shall be adjusted by multiplying it by the following fraction:-

$$\frac{A}{A + B}$$

and the additional number of Shares relating to the ESOS Option / SGP award to be issued and/or transferred (as the case may be) shall be calculated as follows:-

$$\text{Number of Additional Shares} = \left[T \times \left(\frac{A + B}{A} \right) \right] - T$$

where:

- A = the aggregate number of issued and fully paid-up Shares on the entitlement date (namely the date as at the close of business on which shareholders must be registered in order to be entitled to any dividends, rights, allotments or other distributions) immediately before such bonus issue or capitalisation issue;
- B = the aggregate number of new Shares to be issued pursuant to any allotment to ordinary shareholders credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income nature and including any share premium account and capital redemption reserve fund); and
- T = existing number of Shares relating to the ESOS Option and/or SGP awards.

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the day next following the books closure date for such issue.

- (c) If and whenever the Company shall make:-
- (i) a Capital Distribution (as defined below) to ordinary shareholders whether on a reduction of capital or otherwise (save and except any capital reduction involving the cancellation of capital which is lost or unrepresented by available assets); or
 - (ii) any offer or invitation to its ordinary shareholders whereunder they may acquire or subscribe Shares by way of rights; or
 - (iii) any offer or invitation to ordinary shareholders by way of rights whereunder they may acquire or subscribe for securities convertible into Shares or securities with rights to acquire or subscribe for Shares,

then and in respect of each such case, the Subscription Price shall be adjusted by multiplying it by the following fraction:

$$\frac{C - D}{C}$$

and in respect of the case referred to in By-Law 10.2(c)(ii) hereof, the number of additional Shares comprised in the ESOS Option / SGP award to be issued and/or transferred (as the case may be) shall be calculated as follows:-

$$\text{Number of Additional Shares} = \left[T \times \left(\frac{C}{C - D^*} \right) \right] - T$$

APPENDIX II – DRAFT LTIP BYLAWS

where:

- T = existing number of Shares relating to the ESOS Option and/or SGP award;
- C = the current market price of each Share at the close of business on the Market Day immediately preceding the date on which the Capital Distribution or, as the case may be, the offer or invitation is publicly announced to Bursa Securities or (falling any such announcement) immediately preceding the date of the Capital Distribution or, as the case may be, of the offer or invitation; and
- D = (aa) in the case of an offer or invitation to acquire or subscribe for new Shares by way of rights under By-Law 10.2(c)(ii) above or for securities convertible into Shares or securities with rights to acquire or subscribe for new Shares under By-Law 10.2(c)(iii) above, the value of rights attributable to one (1) Share (as defined below); or
- (bb) in the case of any other transaction falling within By-Law 10.2(c) hereof, the fair market value, as determined by an Auditor and/or Adviser of the Company, of that portion of the Capital Distribution attributable to one (1) Share.

For the purpose of definition (aa) of D above, the "value of the rights attributable to one (1) Share" shall be calculated in accordance with the formula:-

$$\frac{C - E}{F + 1}$$

where:

- C = as C above;
- E = the subscription price for one (1) additional Share under the terms of such offer or invitation or subscription price for one (1) additional Share upon conversion of the convertible securities or exercise of such rights to acquire or subscribe for one (1) Share under the offer or invitation;
- F = the number of existing Shares which it is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional Share or security convertible into rights to acquire or subscribe for one (1) additional Share; and
- D* = the value of rights attributable to one (1) Share (as defined below).

For the purpose of definition D* above, the "value of rights attributable to one (1) Share" shall be calculated in accordance with the formula:-

$$\frac{C - E^*}{F^* + 1}$$

where:

- C = as C above;
- E* = the subscription price for one (1) additional Share under the terms of such offer or invitation; and

APPENDIX II – DRAFT LTIP BYLAWS

F* = the number of existing Shares which it is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional Share.

For the purpose of this By-Law 10.2(c) hereof, "Capital Distribution" shall (without prejudice to the generality of that expression) include distributions in cash or specie (other than dividends) or by way of issue of new Shares (other than an issue falling under By-Law 10.2(b) hereof) or other securities credited as fully or partly paid up by way of capitalisation of profits or reserves (whether of a capital or income nature and including any share premium account or capital redemption reserve fund).

Any dividend charged or provided for in the audited financial statements of the Company for any period shall (whenever paid and howsoever described) be deemed to be a Capital Distribution unless it is paid out of the aggregate of the net profits attributable to the ordinary shareholders as shown in the audited consolidated statements of comprehensive income of the Company.

Such adjustments will be effective (if appropriate, retroactively) from the commencement of the Market Day immediately following the entitlement date for the above transactions.

- (d) If and whenever the Company makes an allotment to its ordinary shareholders as provided in By-Law 10.2(b) above and also makes an offer or invitation to its ordinary shareholders as provided in By-Law 10.2(c)(ii) or (iii) above and the entitlement date for the purpose of the allotment is also the book closure date for the purpose of the offer or invitation, the Subscription Price shall be adjusted by multiplying it by the following fraction:-

$$\frac{(G \times C) + (H \times I)}{(G + H + B) \times C}$$

and where the Company makes an allotment to its ordinary shareholders as provided in By-Law 10.2(b) above and also makes an offer or invitation to its ordinary shareholders as provided in By-Law 10.2(c)(ii) above and the entitlement date for the purpose of the allotment is also the book closure date for the purpose of the offer or invitation, the number of additional Shares relating to the ESOS Option / SGP award to be issued and/or transferred (as the case may be) shall be calculated as follows:-

$$\text{Number of Additional Shares} = \left[T \times \left(\frac{(G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)} \right) \right] - T$$

B = as B above;

C = as C above;

G = the aggregate number of issue and fully paid-up Shares on the book closure date;

H = the aggregate number of new Shares under an offer or invitation to acquire or subscribe for Shares by way of rights or under an offer or invitation by way of rights to acquire or subscribe for securities convertible into Shares or rights to acquire or subscribe for Shares, as the case may be;

H* = the aggregate number of new Shares under an offer or invitation to acquire or subscribe for Shares by way of rights;

I = the subscription price of one (1) additional Share under the offer or invitation to acquire or subscribe for Shares or the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional Share, as the case may be;

APPENDIX II – DRAFT LTIP BYLAWS

I* = the subscription price of one (1) additional Share under the offer or invitation to acquire or subscribe for Shares;

T = as T above.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the Market Day immediately following the book closure date for such issue.

- (e) If and whenever the Company makes any offer or invitation to its ordinary shareholders to acquire or subscribe for Shares as provided in By-Law 10.2(c)(ii) above together with an offer or invitation to acquire or subscribe for securities convertible into Shares or rights to acquire or subscribe for securities convertible into Shares or security with rights to acquire or subscribe for Shares as provided in By-Law 10.2(c)(iii) above, the Subscription Price shall be adjusted by multiplying it by the following fraction:-

$$\frac{(G \times C) + (H \times I) + (J \times K)}{(G + H + J) \times C}$$

and the number of additional Shares comprised in the ESOS Option / SGP award to be issued and/or transferred (as the case may be) shall be calculated as follows:-

$$\text{Number of Additional Shares} = \left[T \times \left(\frac{(G + H^*) \times C}{(G \times C) + (H^* \times I^*)} \right) \right] - T$$

C = as C above;

G = as G above;

H = as H above;

H* = as H* above;

I = as I above;

I* = as I* above;

J = the aggregate number of Shares to be issued to its ordinary shareholders upon conversion of such securities or exercise of such rights to subscribe for Shares by the ordinary shareholders;

K = the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional Share; and

T = as T above.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the Market Day immediately following the book closure date for the above transactions.

- (f) If and whenever the Company makes an allotment to its ordinary shareholders as provided in By-Law 10.2(b) above and also makes an offer or invitation to its ordinary shareholders to acquire or subscribe for Shares as provided in By-Law 10.2(c)(ii) above, together with rights to acquire or subscribe for securities convertible into Shares or with rights to acquire or subscribe for Shares as provided in By-Law 10.2(c)(iii) above, and the entitlement date for the purpose of the allotment is also the book closure for the purpose of offer or invitation, the Subscription Price shall be adjusted by multiplying it by the following fraction:-

$$\frac{(G \times C) + (H \times I) + (J \times K)}{(G + H + J + B) \times C}$$

APPENDIX II – DRAFT LTIP BYLAWS

and the number of additional Shares relating to the ESOS Option / SGP award to be issued and/or transferred (as the case may be) shall be calculated as follows:-

$$\text{Number of Additional Shares} = \left[T \times \left(\frac{(G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)} \right) \right] - T$$

- B = as B above;
- C = as C above;
- G = as G above;
- H = as H above;
- H* = as H* above;
- I = as I above;
- I* = as I* above;
- J = as J above;
- K = as K above; and
- T = as T above.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the Market Day immediately following the book closure date for the above transaction.

- (g) If and whenever (otherwise than pursuant to a rights issue available to all ordinary shareholders and requiring an adjustment under By-Laws 10.2(c)(ii), (c)(iii), (d), (e) or (f) above), the Company shall issue either any Shares or any securities convertible into Shares or any rights to acquire or subscribe for Shares, and in any such case, the Total Effective Consideration per Share (as defined below) is less than ninety percent (90%) of the Average Price for one (1) Share (as defined below) or, as the case may be, the price at which the Shares will be issued upon conversion of such securities or exercise of such rights is determined, the Subscription Price shall be adjusted by multiplying it by the following fraction:-

$$\frac{L + M}{L + N}$$

where:

- L = the number of Shares in issue at the close of business on the Market Day immediately preceding the date on which the relevant adjustment becomes effective;
- M = the number of Shares which the Total Effective Consideration (as defined below) would have purchased at the Average Price (as defined below) (exclusive of expenses); and
- N = the aggregate number of Shares so issued or, in the case of securities convertible into Shares or rights to acquire or subscribe for Shares, the maximum number (assuming no adjustment of such rights) of Shares issuable upon full conversion of such securities or the exercise in full of such rights.

APPENDIX II – DRAFT LTIP BYLAWS

For the purpose of this By-Law 10.2(g), the "Total Effective Consideration" shall be determined by the Board with the concurrence of an auditor and/or Adviser of the Company shall be:-

- (a) in the case of the issue of Shares, the aggregate consideration receivable by the Company on payment in full for such Shares; or
- (b) in the case of the issue by the Company of securities wholly or partly convertible into Shares, the aggregate consideration receivable by the Company on payment in full for such securities or such part of the securities as is convertible together with the total amount receivable by the Company upon full conversion of such securities (if any); or
- (c) in the case of the issue by the Company of securities with rights to acquire or subscribe for Shares, the aggregate consideration attributable to the issue of such rights together with the total amount receivable by the Company upon full exercise of such rights;

in each case without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof, and the "Total Effective Consideration per Share" shall be the Total Effective Consideration divided by the number of new Shares issued as aforesaid or, in the case of securities convertible into new Shares, by the maximum number of Shares issuable on full conversion of such securities or on exercise in full of such rights.

For the purpose of this By-Law 10.2(g), the Average Price of a Share shall be the average market price of one (1) Share as derived from the last dealt prices for one (1) or more board lots of the Shares as quoted on the Bursa Securities on the Market Days comprised in the period used as a basis upon which the issue price of such Shares is determined.

Each such adjustment will be calculated (if appropriate, retroactively) from the close of business on Bursa Securities on the Market Day immediately following the date on which the issue is announced, or (failing any such announcement) on the Market Day immediately following the date on which the Company determines the offering price of such Shares. Each such adjustment will be effective (if appropriate retroactively) from the commencement of the Market Day immediately following the date of the completion of the above transaction.

10.3 The provisions of this By-Law shall not apply where the alteration in the capital structure of the Company arises from:-

- (a) the issue of securities as consideration for an acquisition;
- (b) a special issue of new Shares to Bumiputera parties approved by the Ministry of International Trade and Industry, Malaysia and/or other Government authorities to comply with the Government policy on Bumiputera capital participation;
- (c) a special issue, private placement or restricted issue of new Shares by the Company;
- (d) a share buy-back arrangement by the Company and the cancellation of all or a portion of the Shares pursuant to the relevant provision of the Act;
- (e) an issue of new Shares arising from the exercise of any conversion rights attached to securities convertible to new Shares or upon exercise of any other rights including warrants (if any) issued by the Company;
- (f) an issue of new Shares upon the exercise of ESOS Options pursuant to the Scheme;

APPENDIX II – DRAFT LTIP BYLAWS

- (g) an issue by the Company of Shares or of securities convertible into Shares or securities with rights to acquire or subscribe for Shares to its officers, including directors, or employees of the Company or any of its subsidiaries pursuant to purchase or option schemes approved by the Shareholders in general meeting; and
 - (h) any issue of Shares by the Company (other than bonus and rights issue) pursuant to a dividend reinvestment scheme undertaken in accordance with the Listing Requirements or for any purpose whatsoever where the aggregate issues of which in any twelve (12) months do not exceed ten percent (10%) of the outstanding issued share capital of the Company pursuant to the provision of Section 75 of the Act.
- 10.4 Upon any adjustment being made, the LTIP Committee shall give notice in writing within thirty (30) days from the date of adjustment to the Grantee, or his legal or personal representatives where the Grantee is deceased, to inform him of the adjustment and the event giving rise thereto.
- 10.5 The decision of the LTIP Committee as to whether any adjustment shall be made or not made to the Subscription Price and/or the number of Shares comprised in the ESOS Option or Grant of SGP or any portion thereof pursuant to this By-Law 10 is final, binding and conclusive.

11. LISTING AND QUOTATION OF SHARES

- 11.1 If at the time of allotment of the new Shares pursuant to the exercise of an ESOS Option, and the existing issued ordinary shares of the Company are quoted on Bursa Securities, the new Shares to be allotted to the Grantee will not be listed or quoted on Bursa Securities until the ESOS Option is exercised in accordance with the provisions of Part B whereupon the Company shall:-
- (a) issue and/or allot the new Shares;
 - (b) despatch a notice of allotment to the Grantee; and
 - (c) apply for the quotation of such new Shares,
- within eight (8) Market Days after the receipt of the Notice of Exercise and remittance from the Grantee.
- 11.2 The Company and the LTIP Committee shall not under any circumstances be held liable for any costs, losses and damages whatsoever and however relating to the delay on the part of the Company in allotting and issuing the new Shares or in procuring the Bursa Securities to list and quote the new Shares for which the Grantee is entitled to subscribe.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK
--

12. ADMINISTRATION OF THE SCHEME

12.1 The LTIP Committee shall implement and administer the Scheme in such manner as it shall in its discretion deem fit. The LTIP Committee shall comprise such persons duly appointed and authorised by the Board from time to time and shall be vested with such powers and duties as are conferred upon it by the Board including but not limited to the powers to:-

- (a) subject to the provisions of the Scheme, do all such acts and things and enter into and/or cause the Company to enter into any transactions, agreements, deeds and documents, arrangements or undertakings construe and interpret the Scheme and Grants granted under it, to define the terms therein and to recommend to the Board to establish, amend and revoke guidelines, rules and regulations or impose or waive any terms and conditions for the implementation and administration of the Scheme and to give effect to the provisions of the Scheme and/or to enhance the benefit of the Offers to the Selected Persons as the LTIP Committee in its discretion deems fit, necessary and/or expedient for the implementation and administration of the Scheme. The LTIP Committee in the exercise of this power may correct any defect, supply any omission, or reconcile any inconsistency in the Scheme or in any agreement providing for a Grant, ESOS Option and/or Shares under the SGP in a manner and to the extent it shall deem necessary to expedite and make the Scheme fully effective; and
- (b) determine all questions of policy and expediency that may arise in the administration of the Scheme and generally exercise such powers and perform such acts as are deemed necessary or expedient to promote the best interests of the Company.

12.2 In implementing the Scheme, the LTIP Committee may at its absolute discretion decide that the exercise of the ESOS Options and/or the vesting of SGP Award (as the case may be) be satisfied by the following methods:

- (i) for SGP Award(s):
 - (a) acquisition and/or transfer of existing DNeX Shares from the open market of Bursa Securities;
 - (b) acquisition and/or transfer of the Company's treasury shares (if any);
 - (c) any other methods as may be permitted by the Act, Listing Requirements and applicable laws as amended from time to time and any re-enactment thereof; or
 - (d) a combination of any of the above,
- (ii) or ESOS Award(s):
 - (d) issuance of new DNeX Shares;
 - (e) any other methods as may be permitted by the Act, Listing Requirements and applicable laws as amended from time to time and any re-enactment thereof; or
 - (f) a combination of any of the above.

In considering whether to issue new DNeX Shares and/or to acquire existing DNeX Shares and/or transfer of DNeX's treasury shares or any other methods as may be permitted by the Act, Listing Requirements and applicable laws as amended from time to time and any re-enactment thereof, the LTIP Committee will take into consideration, among others, factors such as the issue price of the new DNeX Shares (which shall be determined based on fair value of the DNeX Shares as at the date of the Offer Letter), the prevailing market price of the DNeX Shares, funding requirements of the Company and its subsidiaries, future returns and the potential cost arising from the granting of the Grants.

APPENDIX II – DRAFT LTIP BYLAWS

- 12.3 Any decision or determination of the LTIP Committee made pursuant to the provisions of the Scheme (other than a matter to be certified and/or approved by the approved company auditors or Adviser) shall be final, binding and conclusive (including for the avoidance of doubt, any decision pertaining to any dispute as to the interpretation of the Scheme or any rule, regulation or procedure hereunder or as to any rights under the Scheme). The LTIP Committee shall not be required to furnish any reason for any decision or determination made by it except as may be required by the relevant authorities.
- 12.4 The Board shall have power from time to time to:-
- (a) approve, rescind and/or revoke the appointment of any person in the LTIP Committee and appoint his replacement where the Board deems fit;
 - (b) assume and/or exercise or execute any of the powers and authorities conferred upon the LTIP Committee pursuant to these By-Laws; and
 - (c) amend, modify or vary the terms of reference of the LTIP Committee.
- 12.5 Neither the Scheme nor Grants under the Scheme shall impose on the Company, the Board, or the LTIP Committee or any of its members any liability whatsoever in connection with:
- (i) the lapse of any Grant pursuant to any provision of the Scheme;
 - (ii) the failure or refusal by the LTIP Committee to exercise, or the exercise by the LTIP Committee of, any discretion under the Scheme; and/or
 - (iii) any decision or determination of the LTIP Committee made pursuant to any provision of the Scheme.

13. AMENDMENT AND/OR MODIFICATION TO THE BY-LAWS

- 13.1 Subject to the compliance with the requirements of Bursa Securities and any other relevant authorities and their approvals being obtained (if required under the Listing Requirements and applicable laws and regulations), the LTIP Committee may recommend to the Board who shall have the power at any time and from time to time by resolution to amend and/or modify all or any part of the By-Laws and the Board shall have the power by resolution to add, amend or modify and/or delete all or any of the By-Laws under such recommendation.
- 13.2 The approval of the shareholders of the Company in general meeting shall not be required in respect of additions, amendments to, or deletions of these By-Laws except that subject to any applicable laws, no addition, amendment or deletion shall be made to these By-Laws without the prior approval of the Company's shareholders in a general meeting which would:-
- (a) prejudice any rights which have accrued to any Grantee without his prior consent; or
 - (b) increase the number of new Shares available under the Scheme beyond the maximum imposed by By-Law 2.1; or
 - (c) alter any matter which are required to be contained in the By-Laws by virtue of Appendix 6E of the Listing Requirements to the advantage of the Selected Persons.

The LTIP Committee shall within ten (10) Market Days of any modification and/or amendment made pursuant to this By-Law notify the Grantee in writing of any modification and/or amendment made pursuant to this By-Law.

- 13.3 Upon amending and/or modifying all or any of the provisions of the Scheme, the Company shall submit to the Bursa Securities no later than five (5) Market Days after the effective date of the amendment to the By-Laws, a letter confirming that the said amendment and/or modification complies with the Listing Requirements and Rules of Bursa Depository.

14. DIVESTMENT FROM AND TRANSFER TO/FROM THE GROUP

- 14.1 If the Grantee who was in the employment of a Corporation in the Group which was subsequently divested wholly, or in part, from the Group resulting in that Corporation ceasing to be a subsidiary, unless approved by the LTIP Committee in writing, the ESOS Options unvested and/or unexercised and the unvested Shares under the SGP on the date of such Corporation ceasing to be a subsidiary, shall be null and void and be of no further force and effect. Such Grantee shall not be eligible to participate for further Offers under the Scheme.
- 14.2 In the event that the Grantee is transferred from the Group to any associated corporations of the Group (which definition shall be that which is adopted by the Malaysian Accounting Standards Board) or to any related corporations (as defined in Section 7 of the Act) of the Corporation which have an existing share issuance scheme in which the Grantee will be entitled to participate, unless approved by the LTIP Committee in writing, the unvested Shares under the SGP and the ESOS Options unexercised on the date of such Grantee's transfer shall be null and void and be of no effect.

If the associated corporation does not have an existing share issuance scheme in which the Grantee will be entitled to participate, the LTIP Committee shall have the absolute discretion to determine whether the unvested Shares under the SGP and/or ESOS Options unvested and/or unexercised by the Grantee will continue to be capable of exercise and the period in which it is capable of being exercised.

- 14.3 In the event that:
- (a) an employee who was employed in a corporation which is related to the Company pursuant to Section 7 of the Act (that is to say, a corporation which does not fall within the definition of the "Group") and is subsequently transferred from such corporation to any Corporation within the Group; or
 - (b) an employee who was in the employment of a corporation which subsequently becomes a member of the Group as a result of a restructuring or acquisition exercise or otherwise involving the Company and/or any Corporation within the Group with any of the first mentioned corporation stated in (a) above;

(the first abovementioned corporation in (a) and (b) herein are referred to as the "Previous Company"), such an employee of the Previous Company will be eligible to participate in this Scheme for its remaining Duration of the Scheme, if the affected employee becomes an Eligible Person within the meaning under the By-Laws.

For the avoidance of doubt, in the event of any acquisition or incorporation of any corporation into the Group pursuant to subsection (b) above as a subsidiary in Section 4 of the Act or any other statutory regulation in place thereof during the Duration of the Scheme, the Scheme shall apply to the employees of such corporation on the date such corporation becomes a subsidiary of the Group (provided that such subsidiary is not dormant) falling within the meaning of the expression of Eligible Person under By-Law 1 and the provisions of the By-Laws shall apply.

A Corporation shall be deemed to be divested from the Group or disposed from the Group in the event that the effective interest of the Company in such corporation is reduced from fifty percent (50%) and above to less than fifty percent (50%) so that such Corporation would no longer be a subsidiary of the Company pursuant to Section 4 of the Act.

15. TERMINATION OF ESOS OPTIONS AND/OR SGP AWARDS

15.1 In the event of cessation or termination of employment or appointment of a Grantee with the Group for whatever reason, including but not limited to the receipt of a letter of termination or serving of a notice of resignation by the Grantees, prior to the vesting and/or exercise of his ESOS Options or prior to full vesting and/or exercise of his ESOS Options and/or prior to the vesting of his SGP award, as the case may be, such ESOS Option and unvested SGP award shall cease immediately and become null and void on the date of such cessation or termination without any claim against the Company provided always that, subject to the approval of the LTIP Committee in its discretion, where the Grantee ceases his employment or appointment with the Group by reason of:-

- (a) is retirement at or after attaining normal retirement age under the Group's retirement policy; or
- (b) retirement before that age; or
- (c) ill-health, injury, physical or mental disability; or
- (d) redundancy or retrenchment, pursuant to the acceptance by that Grantee of a voluntary separation scheme offered by the Group; or
- (e) non-renewal of fixed term contract, not due to a breach of contract on the part of the Grantee; or
- (f) transfer to an associate of the Group (which definition shall be that which is adopted by the Malaysian Accounting Standards Board); or
- (g) divestment of any Corporation from the Group; and/or
- (h) any other reasons which are acceptable to the LTIP Committee,

Shares under the SGP awards and/or ESOS Options may vest all or in part (provided that no Shares and/or ESOS Options shall vest after the expiry of the Duration of the Scheme) and a Grantee may exercise his unexercised ESOS Options for such period as may be determined by the LTIP Committee within the relevant LTIP Period provided always that such vesting and/or exercise (as the case may be) shall always be subject to any restriction in the Offer Letter on the maximum percentage of the Grantee's Shares under the SGP awards and/or ESOS Options that may be vested and/or exercisable (as the case may be) within each year of the Scheme (unless otherwise approved by the LTIP Committee). All unvested Shares under the SGP awards and ESOS Options and all unexercised or partially exercised ESOS Options of such Grantee shall become null and void after the expiry of such period.

15.2 If a Grantee ceases his employment or appointment with the Group by reason of his resignation his remaining unvested Shares under the SGP awards and unvested and/or unexercised ESOS Options shall cease with immediate effect and become null and void on the effective date of such cessation. For the avoidance of any doubt, the date of acceptance of a Grantee's resignation by the Group, shall be deemed to be the effective date when a Grantee ceases his employment or appointment with the Group.

15.3 An unvested and/or unexercised ESOS Option or unvested Shares under the SGP awards (as the case may be) shall immediately become void and be of no further force and effect upon the Grantee being adjudicated a bankrupt.

APPENDIX II – DRAFT LTIP BYLAWS

- 15.4 In the event where a Grantee dies before the expiration of the LTIP Period and at the time of his death held unvested Shares under the SGP awards and/or unvested and/or unexercised ESOS Options, such unvested Shares under the SGP awards and ESOS Options (as the case may be) may be vested and/or exercised by the legal or personal representative(s) of the Grantee after the date of his death provided that such vesting and/or exercise (as the case may be) shall be no later than twenty four (24) months thereafter unless otherwise approved by the LTIP Committee provided always that such vesting and/or exercise (as the case may be) shall always be subject to any restriction in the Offer Letter on the maximum percentage of the Grantee's unvested Shares under the SGP awards and/or ESOS Options that may be vested and/or exercisable (as the case may be) within each year of the Scheme (unless otherwise approved by the LTIP Committee) and provided further that no Shares under the SGP awards shall be vested and no ESOS Option shall be vested and/or exercised after the expiry of the Duration of the Scheme. All unvested Shares under the SGP awards and ESOS Options remaining unvested and/or unexercised (as the case may be) thereafter shall automatically lapse and become null and void.
- 15.5 Any unvested Shares under the SGP awards and unvested and/or unexercised ESOS Option that has lapsed and become null and void pursuant to this By-Law 15 shall at the discretion of the LTIP Committee be re-allocated to other Eligible Person.
- 15.6 Upon the termination of the ESOS Options and/or the SGP awards (as the case may be) pursuant to this By-Law 15 or otherwise in accordance with these By-Laws, the Eligible Persons and Selected Persons shall have no right to compensation or damages or any claim against the Company for any loss of any right or benefit under the Scheme which he/she might otherwise have enjoyed, whether for wrongful dismissal or breach of contract or loss of office or otherwise howsoever arising from his/her ceasing to hold office or employment or under a contract of service or from the suspension of his/her right to exercise or be vested his/her ESOS Options and/or Shares under the SGP Awards (as the case may be) or his/her ESOS Options and/or SGP awards (as the case may be) ceasing to be valid.

16. LIQUIDATION OF THE COMPANY

- 16.1 Upon the receipt of a court order of the winding-up of the Company, all Offers shall be deemed revoked and be null and void and all unvested and/or unexercised (whether fully or partially) SGP Awards and/or ESOS Options (where applicable) shall lapse and be null and void and of no further force and effect, and this Scheme shall terminate.
- 16.2 Notwithstanding the above, the LTIP Committee will consider, to the extent permitted by law, whether or not to allow exercise of any unvested and/or unexercised (whether fully or partially) SGP Awards and/or ESOS Options (where applicable) subject to such terms and conditions as may be prescribed and will take into account all circumstances on case-to-case basis, including (but not limited to) the contributions of the Selected Persons.

17. DURATION OF THE SCHEME

- 17.1 The Scheme shall be in force for a period of five (5) years commencing from the Effective Date of the implementation of the Scheme, which shall be the date of full compliance with all relevant requirements under the Listing Requirements including the following:-
- (i) submission of the final copy of the By-Laws to Bursa Securities;
 - (ii) receipt of approval-in-principle for the issuance, and listing and quotation for the Shares to be issued under the Scheme from Bursa Securities;
 - (iii) procurement of shareholders' approval for the Scheme;
 - (iv) receipt of approval of any other relevant authorities, where applicable; and

- (v) fulfilment of all conditions attached to the above approvals, if any.

The Company shall through its Adviser submit no later than five (5) Market Days after the Effective Date of the implementation of these By-Laws, a confirmation to Bursa Securities of the full compliance of By-Law 17.1 above stating the Effective Date of implementation of the Scheme, together with a certified true copy of the relevant resolutions passed by the shareholders of the Company in the general meeting approving the Scheme.

On or before the expiry of the Scheme, the Board shall have the absolute discretion, without having to obtain sanction, approval or authorisation of the Company's shareholders in a general meeting (unless otherwise required by the relevant authorities or Listing Requirements), to extend the duration of the Scheme upon recommendation of the LTIP Committee, provided that the initial period of the Scheme and such extension of the Scheme made pursuant to this By-Law shall not in aggregate exceed the duration of ten (10) years from the Effective Date. Such extended Scheme shall be implemented in accordance with the terms of these By-Laws, save for any amendment and/or change to the relevant statutes and/or regulations then in force. In the event the Scheme is extended in accordance with this provision, the LTIP Committee shall furnish a written notification to all Grantees and the Company shall make necessary announcements to Bursa Securities prior to the proposed extension of the Scheme.

- 17.2 Grants can only be made during the duration of the Scheme and before 5.00p.m. on the Duration Expiry Date.

18. TERMINATION OF THE SCHEME

- 18.1 Subject to compliance with the Listing Requirements, guidelines or directives issued by Bursa Securities and/or any other relevant authorities, the Company may at any time during the Duration of the Scheme terminate the Scheme and shall immediately announce to Bursa Securities the:-
- (a) effective date of termination of the Scheme;
 - (b) number of ESOS Options exercised or Shares vested; and
 - (c) reasons for termination of the Scheme,

Whereupon:

- (a) no further Grant(s) shall be granted by the LTIP Committee from the Termination Date;
 - (b) all Offers which have yet to be accepted by Eligible Persons shall be deemed revoked and be null and void on the Termination Date; and
 - (c) any Grants which have yet to be vested or exercised shall be deemed to cease to be capable of being exercised and be null and void on the Termination Date.
- 18.2 Subject to By-Law 18.3, prior to the termination of the Scheme pursuant to By-Law 18.1, the Company shall provide thirty (30) days' notice to all Grantees and allow the Grantees to (a) exercise any vested but unexercised ESOS Options; and (b) transfer any shares of any vested SGP awards prior to the Termination Date.
- 18.3 Subject to the Main Market Listing Requirements, no approval or consent of the shareholders of the Company by way of a resolution in a general meeting and written consent of Grantee(s) in relation to unvested and/or unexercised Grant(s) are required to effect a termination of the Scheme.

APPENDIX II – DRAFT LTIP BYLAWS

- 18.4 Notwithstanding the above, the Company may implement more than one (1) scheme provided that the aggregate number of Shares available under all the schemes implemented by the Company is not more than fifteen percent (15%) of its issued share capital (excluding treasury shares) at any one time or such lower or higher limit in accordance with any prevailing guideline issued by Bursa Securities or any other relevant authorities amended from time to time.

19. DISPUTES OR DIFFERENCES

In case any dispute or difference shall arise between the Board and/or LTIP Committee, and an Eligible Person, Selected Person and/or Grantee as to any provisions contained in these By-Laws, the Board and/or the LTIP Committee shall determine such dispute or difference by a decision given to the Eligible Person, Selected Person and/or Grantee. The said decision shall be final and binding on the parties unless the Eligible Person, Selected Person and/or Grantee within fourteen (14) calendar days of the receipt thereof by a notice to the Board and/or the LTIP Committee, disputes the same in which case such dispute or difference shall be referred to the decision of the Adviser and/or Auditor (as selected by the Board and/or LTIP Committee at its absolute discretion) (acting as experts and not as arbitrators) whose decision shall be final and binding in all respects. The Board and the LTIP Committee shall not be required to furnish any reasons for any decision or determination made by it except as may be required by the relevant authorities. Notwithstanding anything herein to the contrary, any costs and expenses incurred in relation to any dispute or difference or appeal brought by any party to the LTIP Committee shall be borne by such party.

20. COSTS AND EXPENSES

All fees, costs and expenses incurred in relation to the Scheme including but not limited to the fees, costs and expenses relating to the allotment and issue or transfer of Shares pursuant to the vesting and/or exercise of any ESOS Option or SGP award (as the case may be) shall be borne by the Company.

21. SCHEME OF ARRANGEMENT, AMALGAMATION, RECONSTRUCTION, ETC.

- 21.1 Notwithstanding any vesting conditions and/or the maximum percentage of the Grantee's ESOS Options that may be exercisable within each year of the Scheme as set out in the Offer Letter and subject to the discretion of the LTIP Committee, in the event of the court sanctioning a compromise or arrangement between DNeX and its members proposed for the purpose of, or in connection with, a scheme of arrangement and reconstruction of DNeX under Section 366 of the Act or its amalgamation with any other company or companies under Section 370 of the Act or the Company decides to merge with other company or companies, the LTIP Committee may at its absolute discretion decide whether a Grantee may be entitled to be vested all his/her unvested ESOS Options and/or Shares under the SGP and/or to exercise all or any of his/her ESOS Options at any time commencing from the date upon which the compromise or arrangement is sanctioned by the court and ending with the date upon which it becomes effective, provided always that no Shares under the SGP and no ESOS Option shall be vested and/or exercised after the expiry of the LTIP Period.
- 21.2 Upon the compromise or arrangement becoming effective, all remaining unvested and/or unexercised ESOS Options and unvested Shares under SGP shall automatically lapse and become null and void.

22. DISCLAIMER OF LIABILITY

Notwithstanding any provisions contained herein and subject to the Act, the Company, the Board and the LTIP Committee shall not under any circumstances and in any event be held liable to any person for any cost, charges, losses, expenses, damages or liabilities whatsoever arising, including but not limited to any delay on the part of the Company in issuing and/or transferring the Shares or in procuring Bursa Securities to list the new Shares subscribed for by and/or issued to a Grantee.

23. SCHEME NOT A TERM OF EMPLOYMENT

This Scheme does not form part of or constitute, nor shall this Scheme in any way be construed as, a term or condition of employment of any employee within the Group. This Scheme shall not confer or be construed to confer, on any employee within the Group, any special right, benefit or privilege over and above the employee's terms and conditions of employment under which the employee is employed, nor any rights in addition to compensation or damages that the employee may be entitled to arising from the cessation of such employment for any reason whatsoever.

24. NO COMPENSATION

24.1 Notwithstanding any provisions of these By-Laws:-

- (a) this Scheme shall not form part of any contract of employment between any Corporation of the Group and any Employee or Director of the Group and the rights of any Grantee under the terms of his office and employment with the Company or any Corporation of the Group shall not be affected by his participation in the Scheme or afford such Grantee any additional rights to compensation or damages in consequence of the termination of such office or employment for any reason;
- (b) this Scheme shall not confer on any person any legal or equitable rights (other than those constituting the ESOS Option and/or new Shares allotted and issued under the ESOS Options or Shares transferred under SGP Grants as the case may be) against the Company or any Corporation of the Group or any members of the LTIP Committee directly or indirectly or give rise to any cause of action at law or in equity against the Company or the Group; and
- (c) a Grantee who ceases to hold office or employment shall not be entitled to any compensation for the loss of any right or benefit or prospective right or benefit under the Scheme which he might otherwise have enjoyed whether such compensation is claimed by way of damages for wrongful dismissal, breach of contract or by way of compensation for loss of office.

24.2 No Employees and Directors (including Eligible Person, Selected Person or Grantee) or their legal or personal representatives shall bring any claim, action or proceedings against the Board, the Company or the LTIP Committee or any party for compensation, loss or damages whatsoever and howsoever arising including but not limited to the suspension of their rights to the SGP awards and/ or exercise their ESOS Options and/ or their ESOS Options and/ or SGP awards ceasing to be valid pursuant to the provisions of these By-Laws.

25. CONSTITUTION

Notwithstanding the terms and conditions contained herein, if a situation of conflict should arise between the Scheme and the Constitution, the provisions of the Constitution shall at all times prevail save and except where such provisions of the By-Laws are included pursuant to the Listing Requirements in which event such provisions of the By-Laws shall prevail.

26. TAXES

For the avoidance of doubt, all other costs, fees, levies, charges and/or taxes (including without limitation income tax) that are incurred by an allottee or transferee of the Shares, pursuant or relating to the grant of the Offers, vesting of ESOS Options and/or SGP awards and exercise of the ESOS Options, and any holding or dealing of such ESOS Options and Shares (such as (but not limited to) brokerage commissions and stamp duty) shall be borne by that allottee or transferee (as the case may be) for his own account, and the Company shall not be liable for any one or more of such costs, fees, levies, charges and/or taxes.

27. SEVERABILITY

Any term, condition, stipulation or provision in these By-Laws which is illegal, void, prohibited or unenforceable shall be ineffective to the extent of such illegality, voidness, prohibition or unenforceability without invalidating the remaining provisions hereof, and any such illegality, voidness, prohibition or unenforceability shall not invalidate or render illegal, void or unenforceable any other term, condition, stipulation and provision herein contained.

28. GOVERNING LAW AND JURISDICTION

28.1 The Scheme shall be governed by and construed in accordance with the laws of Malaysia. The Grantee, by accepting the Offer in accordance with the By-Laws and terms of the Scheme, irrevocably submits to the jurisdiction of the courts of Malaysia.

28.2 In order to facilitate the making of any Offer under this Scheme, the LTIP Committee may provide for such special terms to the Selected Persons who are employed by any Corporation in the Group in a particular jurisdiction or who are nationals of any particular jurisdiction, that is outside Malaysia, as the LTIP Committee may consider necessary or appropriate for the purposes of complying with differences in local law, tax, policy or custom of that jurisdiction. The LTIP Committee may further approve such supplements to or amendments, restatements or alternative versions of the Scheme as it may consider necessary or appropriate for such purposes without thereby affecting the terms of the Scheme as in effect for any other purpose, and the appropriate officer of the Company may certify any such document as having been approved and adopted in the same manner as the Scheme. No such special terms, supplements, amendments or restatements, however, shall include any provisions that are inconsistent with the terms of this Scheme, as then in effect, unless this Scheme has been amended to eliminate such inconsistency. Notwithstanding the above, any Offer made to such Selected Persons pursuant to the Scheme shall be valid strictly in Malaysia only unless specifically mentioned otherwise by the LTIP Committee in the Offer.

28.3 No action has been or will be taken by the Company to make the Offer valid in any country or jurisdiction other than Malaysia or to ensure compliance of the Offer with all applicable laws and regulations in any other country or jurisdiction other than Malaysia. No action has or will be taken also by the Company to ensure compliance by the Selected Persons to whom the Offer is granted, with all applicable laws and regulations in such other country or jurisdiction in which they will be granted the Offers.

28.4 Any Selected Person to whom the Offer is granted is required to ensure that they comply with all applicable laws and regulations in each country or jurisdiction in or from which they are granted the Offers. By participating in the Scheme, each Selected Person has represented, warranted and agreed that they have and will continue to observe all applicable laws and regulations in the jurisdiction in which they will be granted the Offers.

29. INSPECTION OF THE AUDITED ACCOUNTS

To the extent permitted by the Listing Requirements and prevailing laws and guidelines issued by the relevant authorities, all Grantees shall be entitled to inspect a copy of the latest audited financial statements of the Company, which shall be made available on the Bursa Securities' website as well as the Company's website.

30. NOTICE

Any notice which under the Scheme is required to be given or served upon a Selected Person or Grantee shall be in writing and be deemed to be sufficiently given or served either delivered by hand or sent to the Selected Person or Grantee at his place of employment or at the last known address known by the Company as being his address or by electronic mail.

31. ERRORS AND OMISSIONS

If in consequences of an error or omission, the LTIP Committee discovers or determines that:

- (a) an Eligible Person who was selected as a Selected Person has not been given the opportunity to participate in the Scheme on any occasion;
- (b) an Eligible Person was erroneously selected as a Selected Person; or
- (c) the number of ESOS Options and/or SGP awards granted to any Selected Person or Shares allotted / granted to any Grantee on any occasion is found to be incorrect,

and such error or omission cannot be corrected, the LTIP Committee may do all such acts and things to rectify such error or omission including, but not limited to, all acts and things to ensure that the Eligible Person is given the opportunity to participate in the Scheme and/or to withdraw the Offer given to the Employee or Director who was erroneously selected as a Selected Person and/or to ensure that the Selected Person is given the correct number of ESOS Options, SGP awards or credited with the correct number of Shares to which he is entitled.

32. SUBSEQUENT EMPLOYEE SHARE SCHEMES

Subject to the Main Market Listing Requirements, approval of the relevant authorities and/or the shareholders of the Company and without derogating the right of the Company to implement more than one employee share scheme, share issuance scheme and/or share grant scheme, the Company may establish a new employee share scheme, share issuance scheme and/or share grant scheme after the expiry date of this Scheme or upon termination of this Scheme.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK
--

PART B: PROPOSED ESOS

33. OFFER

- 33.1 Subject to and in accordance with the provisions of these By-Laws, the LTIP Committee may at its discretion at any time during the Duration of the Scheme offer ESOS Options to a Selected Person after taking into consideration such criteria as the LTIP Committee deems fit, including but not limited to the Selected Person's position, contribution, job performance, duration of service and potential for future development and the Company may make the requisite announcements in respect thereof to Bursa Securities.
- 33.2 The actual number of new Shares which may be offered to a Selected Person shall be at the discretion of the LTIP Committee but shall not be more than the Maximum Allowable Allocation as set out in By-Law 4.
- 33.3 An Offer may be made upon such terms and conditions as the LTIP Committee may decide from time to time. Each Offer shall be made in writing and is personal to the Selected Person and is non-assignable and non-transferable. The LTIP Committee will in its Offer Letter to a Selected Person state, inter alia, the number of Shares that can be subscribed under the Offer, the Subscription Price determined in accordance with the provisions of By-Law 35, the closing date for acceptance of the Offer and the manner and conditions of exercise of the ESOS Options. The Offer shall automatically lapse and thereafter be rendered null and void in the event of the death of the Selected Person or the Selected Person ceasing to be an Eligible Person for any reason whatsoever prior to the acceptance of the Offer by the Selected Person in the manner set out in By-Law 34 hereof.
- 33.4 Nothing herein shall prevent the LTIP Committee from making more than one Offer during the Duration of the Scheme to a Selected Person provided always that the total aggregate number of Shares offered to any Selected Person under the LTIP including ESOS Options which have been exercised, if any, shall not exceed the Maximum Allowable Allocation. Each Offer made to any Selected Person by the LTIP Committee shall be separate and independent from any previous or later Offer made by the LTIP Committee to that Selected Person.
- 33.5 The Company shall keep and maintain at its expense a register of Grantees as required under Section 129 of the Act.
- 33.6 The Company shall, on the date of the Offer, announce the following to Bursa Securities upon the ESOS Options offered under the Scheme:
- (a) Date of Offer;
 - (b) Subscription Price of ESOS Options offered;
 - (c) number of ESOS Options offered;
 - (d) market price of its securities on the Date of Offer;
 - (e) number of ESOS Options offered to each Director, if any; and
 - (f) vesting period of the ESOS Options offered.
- 33.7 An Offer shall be made in writing and in any manner as the LTIP Committee shall determine and may be made upon such terms and conditions as the LTIP Committee may decide from time to time. Nothing herein shall require any Offer made to be the same as or similar to other Offers previously or subsequently made whether to the same or a different Selected Person.

APPENDIX II – DRAFT LTIP BYLAWS

33.8 The LTIP Committee may at its discretion decide whether the allocation of the ESOS Options shall be staggered over the Duration of the Scheme.

33.9 The LTIP Committee may, by giving notice in writing to the Selected Person, vary or waive the terms of any Offer Letter or Grant.

34. ACCEPTANCE OF OFFER

34.1 An Offer made by the LTIP Committee under By-Law 34 shall be valid for a period of twenty one (21) calendar days from the Date of Offer and may be accepted within this prescribed period by the Selected Person by a notice (in a format to be prescribed by the LTIP Committee) to the LTIP Committee of such acceptance accompanied by a payment to the Company of a nominal non-refundable sum of Ringgit Malaysia One (RM1.00) as consideration for the grant of the ESOS Option.

34.2 If the Offer is not accepted in the manner aforesaid within the prescribed period of twenty-one (21) calendar days from the Date of Offer, such Offer shall upon the expiry of the said prescribed period, automatically lapse and be null and void and be of no further force and effect, and the new Shares comprised in the ESOS Options may at the discretion of the LTIP Committee be re-offered to Eligible Persons.

35. SUBSCRIPTION PRICE

35.1 Subject to any adjustments made under these By-Laws and pursuant to the Listing Requirements, the price at which the Grantee is entitled to subscribe for each new Share shall be determined by the Board upon recommendation of the LTIP Committee based on the five (5) day weighted average market price of Shares at the Date of Offer of the ESOS Option, with a potential discount of not more than ten percent (10%) or such lower or higher limit in accordance with any prevailing guidelines, rules or regulations issued by Bursa Securities or any other relevant authorities as may be amended from time to time during the Duration of the Scheme.

35.2 The Subscription Price as determined by the Board shall be conclusive and binding on the Grantees.

36. EXERCISE OF ESOS OPTION

36.1 An ESOS Option granted to a Grantee under the Scheme, subject to the provisions of By-Law 15, is exercisable by that Grantee during his lifetime within the LTIP Period. All unexercised ESOS Options shall become null and void after the Date of Expiry.

36.2 Upon acceptance of an Offer, the Grantee may during the LTIP Period exercise his ESOS Options at such time and in such manner and subject to such conditions as stipulated in the Offer Letter.

36.3 The Grantee shall notify the Company of his intention to exercise an ESOS Option in such form and manner as the LTIP Committee may prescribe or approve ("**Notice of Exercise**"). The Grantee shall, simultaneously with his exercise of the ESOS Option (or within such period as the LTIP Committee may prescribe), forward to the Company a remittance for the full amount of the subscription monies for the new Shares in respect of which the Notice of Exercise is given. An ESOS Option may be exercised in such manner and subject to such conditions as stipulated in the Offer Letter in respect of such lesser number of new Shares as the Grantee may decide to exercise. Such partial exercise of an ESOS Option shall not preclude the Grantee from exercising the ESOS Option as to the balance of any new Shares, if any, which he is entitled to subscribe under the Scheme.

APPENDIX II – DRAFT LTIP BYLAWS

- 36.4 The Grantee shall provide all information as required in the Notice of Exercise and the Company shall within eight (8) Market Days or such period as Bursa Securities may prescribe after the receipt of a valid Notice of Exercise and remittance from the Grantee allot and despatch the notice of allotment for the relevant number of Shares to the Grantee upon and subject to the provisions of the Constitution, the Central Depositories Act and the Rules of Bursa Depository. No physical share certificates will be delivered to the Grantee.
- 36.5 Any failure to comply with the foregoing provisions and/or to provide all information as required in the Notice of Exercise or inaccuracy in the information provided shall result in the Notice of Exercise being rejected. The LTIP Committee shall inform the Grantee of the rejection of the Notice of Exercise within fourteen (14) calendar days from the date of rejection and the Grantee shall then be deemed not to have exercised his ESOS Options.
- 36.6 Notwithstanding anything to the contrary herein contained in these By-Laws, the LTIP Committee shall have the right at its discretion by notice to that effect:-
- (a) to suspend the right of any Grantee who is found to have contravened the written policies and guidelines of the Group and/or the terms and conditions of the Grantee's employment (whether or not such contravention may give rise to a Disciplinary Proceeding being instituted) to exercise his ESOS Option. In addition to this right of suspension, the LTIP Committee may impose such terms and conditions as the LTIP Committee shall deem appropriate in its discretion, on the right of exercise of his ESOS Option having regard to the nature of the contravention provided always that in the event such contravention results in the dismissal or termination of service of such Grantee, the ESOS Option shall immediately cease and become null and void without notice, upon pronouncement of the dismissal or termination of service of such Grantee; or
 - (b) to suspend the right of any Grantee who is being subjected to Disciplinary Proceedings (whether or not such Disciplinary Proceedings may give rise to a dismissal or termination of service of such Grantee) to exercise his ESOS Option pending the outcome of such Disciplinary Proceedings. In addition to this right of suspension, the LTIP Committee may impose such terms and conditions as the LTIP Committee shall deem appropriate in its discretion, on the right of exercise of his ESOS Option having regard to the nature of the charges made or brought against such Grantee, provided always that:-
 - (i) in the event such Grantee is found not guilty of the charges which gave rise to such Disciplinary Proceedings, the LTIP Committee shall reinstate the right of such Grantee to exercise his ESOS Option; or
 - (ii) in the event such Grantee is found guilty resulting in the dismissal or termination of service of such Grantee, the ESOS Option shall immediately cease and become null and void without notice, upon pronouncement of the dismissal or termination of service of such Grantee; or
 - (iii) in the event such Grantee is found guilty but no dismissal or termination of service is recommended, the LTIP Committee shall have the right to determine at its discretion whether or not the Grantee may continue to exercise his ESOS Option and if so, to impose such terms and conditions or make such downward adjustment to the number of ESOS Options as it deems appropriate, on such exercise.

Nothing herein shall prevent the LTIP Committee (but the LTIP Committee shall not be obliged to do so) from making a fresh Offer to such Selected Person in the event that such disciplinary actions are not found against him or if such disciplinary actions are withdrawn.

- 36.7 Each ESOS Option shall be subject to the condition that no new Shares shall be issued to the Grantee pursuant to the exercise of the ESOS Option if such issue shall be contrary to any laws, rules and/or regulations of any regulatory body or authorities which may be in force during the LTIP Period.

PART C: SGP

37. SGP AWARDS

- 37.1 Subject to and in accordance with the provisions of these By-Laws, the LTIP Committee may on an annual basis or at its discretion at any time during the Duration of the Scheme offer of an SGP award(s) to a Selected Person after taking into consideration such criteria as the LTIP Committee deems fit, including but not limited to the Selected Person's position, contribution, job performance, duration of service and potential for future development and the Company may make the requisite announcements in respect thereof to Bursa Securities.
- 37.2 The actual number of Shares which may be offered to a Selected Person shall be at the discretion of the LTIP Committee but shall not be more than the Maximum Allowable Allocation as set out in By-Law 4.
- 37.3 An Offer may be made upon such terms and conditions as the LTIP Committee may decide from time to time. Each Offer shall be made in writing and is personal to the Selected Person and is non-assignable and non-transferable. The LTIP Committee will in its Offer Letter to a Selected Person state, inter alia, the number of Shares to be granted, the closing date for acceptance of the Offer, the vesting conditions and vesting period if. The Offer shall automatically lapse and thereafter be rendered null and void in the event of the death of the Selected Person or the Selected Person ceasing to be an Eligible Person for any reason whatsoever prior to the acceptance of the Offer by the Selected Person in the manner set out in By-Law 38 hereof.
- 37.4 Nothing herein shall prevent the LTIP Committee from making more than one Offer during the Duration of the Scheme to a Selected Person provided always that the total aggregate number of Shares offered to any Selected Person under the LTIP including ESOS Options which have been exercised, if any, shall not exceed the Maximum Allowable Allocation. Each Offer made to any Selected Person by the LTIP Committee shall be separate and independent from any previous or later Offer made by the LTIP Committee to that Selected Person.
- 37.5 The Company shall, on the date of the Offer, announce the following to Bursa Securities upon the SGP award being offered under the Scheme:
- (a) Date of Offer;
 - (b) number of Shares under SGP offered;
 - (d) market price of its securities on the Date of Offer;
 - (e) number of Shares under SGP offered to each Director, if any; and
 - (f) vesting period of the Shares under SGP offered.
- 37.6 An Offer shall be made in writing and in any manner as the LTIP Committee shall determine and may be made upon such terms and conditions as the LTIP Committee may decide from time to time. Nothing herein shall require any Offer made to be the same as or similar to other Offers previously or subsequently made whether to the same or a different Selected Person.
- 37.7 The LTIP Committee may at its discretion decide whether the allocation of the Shares under SGP shall be staggered over the Duration of the Scheme.

APPENDIX II – DRAFT LTIP BYLAWS

37.8 The LTIP Committee may, by giving notice in writing to the Selected Person, vary or waive the terms of any Offer Letter or Grant.

38. ACCEPTANCE OF THE SGP AWARD

38.1 An Offer made by the LTIP Committee under By-Law 39 shall be valid for a period of twenty one (21) calendar days from the Date of Offer and may be accepted within this prescribed period by the Selected Person by a notice (in a format to be prescribed by the LTIP Committee) to the LTIP Committee of such acceptance accompanied by a payment to the Company of a nominal non-refundable sum of Ringgit Malaysia One (RM1.00) as consideration for the grant of the SGP award.

38.2 If the Offer is not accepted in the manner aforesaid within the prescribed period of twenty-one (21) calendar days from the Date of Offer, such Offer shall upon the expiry of the said prescribed period, automatically lapse and be null and void and be of no further force and effect, and the Shares comprised in the SGP grant may at the discretion of the LTIP Committee be re-offered to Eligible Persons.

39. VESTING CONDITIONS

39.1 Subject to By-Laws 3, 17 and 39.2, the Shares comprised in the SGP award or such part thereof will only vest to the Grantee on the vesting date(s) (if any) if:

- (a) the Grantee remains in employment with the Group as at the vesting date; and
- (b) the other vesting conditions (if any) are fully and duly satisfied.

39.2 The LTIP Committee shall have the discretion to determine whether any vesting condition has been satisfied (whether fully or partially) or exceeded, and in making any such determination, the LTIP Committee shall have the right to make reference to (among others) the audited results of the Group, to take into account such factors as the LTIP Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further, to amend any vesting conditions if the LTIP Committee decides that a changed performance target would be a fairer measure of performance.

39.3 Where the LTIP Committee has made the determination that the vesting conditions and all other stipulated conditions have been fulfilled (whether fully or partially) pursuant to the SGP award, the LTIP Committee shall notify the Grantee of the number of Shares vested or which will be vested to the Grantee on the vesting date of such Shares. No Grantee shall have any right to or interest in the Shares granted to him unless and until the Shares are vested in him on and with effect from the date of vesting of the said Shares. The decision and/or determination of the LTIP Committee on the vesting of the Shares on the Grantee pursuant to these By-Laws shall be final and conclusive.

39.4 Unless otherwise determined by the LTIP Committee if the vesting conditions are not fulfilled in accordance with the period as set out in the Grant, that SGP award shall lapse and be of no value. All SGP awards to the extent unvested on the expiry or earlier termination of the LTIP Period applicable thereto shall lapse.

39.5 For the avoidance of doubt and subject to By-Law 38.1, the Shares will vest with the Grantee at no cash consideration to the Grantee upon fulfilment of the vesting conditions and all other conditions as stipulated in the Grant.

40. DELIVERY OF DNEK SHARES

- 40.1 In respect of Shares which are vested onto a Grantee of the SGP pursuant to By-Law 39, the Company within eight (8) Market Days after the receipt of the Grantee's notice of his/her CDS Account number pursuant to By-Law 40.3 (or such other period as may be prescribed or allowed by Bursa Securities), credit such DNeX Shares to the Grantee's CDS Account or his/her Authorised Nominee, in accordance with the provisions of the Company's Constitution, the Central Depositories Act and the Rules of Bursa Depository, despatch the notice stating such number of Shares credited into the CDS Account of the Grantee or his/her Authorised Nominee. The Company shall cause to be transferred such Shares to the Grantee in accordance with the provisions of the Company's Constitution, the Central Depositories Act and the Rules of Bursa Depository, despatch the notice of transfer to the Grantee.
- 40.2 The LTIP Committee, the Board and the Company shall not under any circumstances whatsoever be liable for any costs, expenses, charges and damages whatsoever and howsoever arising whether arising directly or indirectly from any delay on the part of the Company in crediting the Shares or in procuring the relevant authorities to list and quote the Shares vested to a Grantee (where applicable) or any delay in receipt or non-receipt by the Company of the notice or for any errors in any SGP award or any other matters or dealings which are outside the control of the Company, the Board and/or the LTIP Committee.
- 40.3 The Grantee shall provide the LTIP Committee with his/her CDS Account number or the CDS Account number of his/her Authorised Nominee, as the case may be. The Shares to be credited pursuant to the vesting will be credited directly into the CDS Account of the Grantee or his/her Authorised Nominee, as the case may be and a notice stating the number of shares credited into such CDS Account will be transferred to the Grantee and no physical share certificate will be issued.
- 40.4 Notwithstanding anything to the contrary herein contained in these By-Laws, the LTIP Committee shall have the right at its discretion by notice to that effect:-
- (a) to suspend the right of any Grantee who is found to have contravened the written policies and guidelines of the Group and/or the terms and conditions of the Grantee's employment (whether or not such contravention may give rise to a Disciplinary Proceeding being instituted) to any vested or unvested Shares under the SGP award. In addition to this right of suspension, the LTIP Committee may impose such terms and conditions as the LTIP Committee shall deem appropriate in its discretion, on the right to the Shares being transferred to the Grantee upon vesting thereof having regard to the nature of the contravention provided always that in the event such contravention results in the dismissal or termination of service of such Grantee, the SGP awards to the extent such Shares have not yet been delivered into the CDS Account of the Grantee or its Authorised Nominee shall immediately cease and become null and void without notice, upon pronouncement of the dismissal or termination of service of such Grantee; or
 - (b) to suspend the right of any Grantee who is being subjected to Disciplinary Proceedings (whether or not such Disciplinary Proceedings may give rise to a dismissal or termination of service of such Grantee) to the Shares under his SGP award pending the outcome of such Disciplinary Proceedings. In addition to this right of suspension, the LTIP Committee may impose such terms and conditions as the LTIP Committee shall deem appropriate in its discretion, on unvested and vested Shares under the SGP pending delivery into the CDS Account of the Grantee or its Authorised Nominee having regard to the nature of the charges made or brought against such Grantee, provided always that:-
 - (i) in the event such Grantee is found not guilty of the charges which gave rise to such Disciplinary Proceedings, the LTIP Committee shall reinstate the right of such Grantee to the Shares under his SGP award; or

APPENDIX II – DRAFT LTIP BYLAWS

- (ii) in the event such Grantee is found guilty resulting in the dismissal or termination of service of such Grantee, the SGP award shall immediately cease and become null and void without notice, upon pronouncement of the dismissal or termination of service of such Grantee; or
- (iii) in the event such Grantee is found guilty but no dismissal or termination of service is recommended, the LTIP Committee shall have the right to determine at its discretion whether or not the Grantee may continue to benefit from the SGP award and if so, to impose such terms and conditions or make such downward adjustment to the number of Shares under the SGP award as it deems appropriate, on such exercise.

Nothing herein shall prevent the LTIP Committee (but the LTIP Committee shall not be obliged to do so) from making a fresh Offer to such Selected Person in the event that such disciplinary actions are not found against him or if such disciplinary actions are withdrawn.

- 40.5 Every SGP award shall be subjected to the condition that no Shares shall be vested and/or credited pursuant to a SGP award if such vesting and/or crediting would be contrary to any law, enactment, rule and/or regulation of any legislative or non-legislative body which may be in force during the LTIP Period or such period as may be extended.
- 40.6 Notwithstanding anything to the contrary herein contained, the LTIP Committee shall at any time during the LTIP Period have the sole and absolute discretion to determine whether to purchase all or part of the unvested SGP awards from the Grantee. The price payable for the purchase shall be the 3-month weighted average market price of Shares immediately before the date of the notice of the purchase. Upon completion of the purchase, all unvested SGP awards held by that Grantee (if any) shall lapse.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK
--

APPENDIX III – FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board, and the Directors collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

2. CONSENT

UOBKH, being the Principal Adviser for the Proposals, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular.

3. DECLARATION OF CONFLICT OF INTEREST

UOBKH has given its written confirmation that there is no situation of conflict of interest that exists or is likely to exist in relation to its role as the Principal Adviser to DNeX for the Proposals.

4. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

Save as disclosed below, the Board is not aware and has no knowledge of any other proceedings pending or threatened against the Group, or of any facts likely to give rise to any proceedings, which may materially or adversely affect the financial position or business of the Group.

- i. **Plaintiffs:** **DNeX, Dagang Net Technologies Sdn Bhd ("Dagang Net") (a wholly-owned subsidiary of DNeX), DNeX Telco Services Sdn Bhd ("DTS") (a 51%-owned indirect subsidiary of DNeX), PT Dagang Samudera Utama (a 48.78%-owned indirect associate of DNeX) and PT DNeX Telco Indonesia (an indirect associate of DNeX with an effective equity interest of approximately 46.34%) (collectively referred to as "the Plaintiffs")**

Defendant: **Mohd Ismail Khan bin Wazir Khan ("the Defendant")**

Case no.: **WA-22NCC-596-11/2022 at the High Court of Kuala Lumpur**

Case no.: **W-02(NCC)(W)-1222-07/2024 at the Court of Appeal, Palace of Justice Putrajaya**

On 15 November 2022, the Company announced that the Plaintiffs had, via their solicitors, commenced legal proceedings in the Kuala Lumpur High Court against Mohd Ismail Khan bin Wazir Khan, the former Chief Executive Officer of DTS (a 51%-owned indirect subsidiary of DNeX).

The suit relates to allegations concerning the acquisition of a remotely operated vehicle ("**ROV**"), in respect of which the Plaintiffs contend that the Defendant had breached his fiduciary duties and other obligations owed to the Group.

The Plaintiffs are sought for, among others, the following reliefs:-

- A declaration that the Defendant breached his fiduciary duty, duty of care, skill and diligence, duty of fidelity, and duty of trust and confidence towards the Plaintiffs in relation to the ROV acquisition;
- A declaration that USD1,335,000 (approximately RM5.64 million) and/ or all secret profits and/ or benefits obtained by the Defendant through the ROV acquisition are held on constructive trust for the Plaintiffs;

APPENDIX III – FURTHER INFORMATION

- An account of profits amounting to USD1,335,000 (approximately RM5.64million) and/ or all secret profits and/ or benefits received by the Defendant through the ROV acquisition;
- Special damages amounting to USD1,250,000 (approximately RM5.28 million) and IDR23,764,196,250 (approximately RM6.15 million);
- Aggravated and exemplary damages to be assessed by the Court;
- Pre-judgement and post-judgement interest at 5% per annum on the sums adjudged; and
- Costs on an indemnity basis and such further relief as deemed appropriate by the Court.

The High Court had on 19 July 2024 granted a judgement in favour the Plaintiffs in respect of the relief sought by the Plaintiff as mentioned above. On 22 July 2024, the Defendant appealed against the decision made by the High Court.

As at the LPD, a case management has been fixed on 2 July 2025 by the Court of Appeal to update on the status of the High Court judge's grounds of judgement.

The Plaintiffs' solicitors are of the view that the Plaintiffs have a fair chance of success in opposing the appeal.

ii. **Disputes between DNeX, DNeX Semiconductor Sdn Bhd ("DNeX Semi"), Mimastronics Technologies Company Limited ("MIMAS") and Tethystronics Technologies Company Limited ("TTCL"):**

(1) In The Matter of an AIAC Arbitration between TTCL (Claimant) & DNeX Semi (Respondent) (AIAC Case No. AIAC/INT/ADM-1144-2022) ("Arbitration 1144")

The main dispute in this arbitration pertains to the constitution of SilTerra and the shareholders' agreement dated 8 July 2021 between TTCL, DNeX Semi and SilTerra ("**SilTerra SHA**") as purportedly supplemented by a letter dated 8 July 2021 between DNeX Semi and DNeX jointly on one part, and TTCL, Beijing Integrated Circuit Advanced Manufacturing and High-End Equipment Equity Investment Fund Centre (Limited Partnership) and Mimastronics Technologies Company Limited on the other part (the "**Side Letter**").

The crux of the dispute pertains to the appointment of 4 additional directors on board of SilTerra. Based on the Constitution of SilTerra, DNeX Semi had caused to be appointed 4 additional directors ("**Additional Directors**") to the Board of Directors of SilTerra by way of a SilTerra Members' Written Resolution passed on 21 November 2022 ("**Appointment MWR**").

TTCL takes the position that DNeX Semi is not entitled to do so based on SilTerra SHA read with the Side Letter which allowed only for the appointment of 5 directors to the SilTerra Board of Directors, 3 of whom would be nominated by TTCL.

The issue in the arbitration is purely one of whether the Constitution SilTerra in the current unamended form prevails over the SilTerra SHA.

Hearing date was fixed on 4th to 7th of June 2024. The Parties have exchanged their respective witness statements and attending to the preliminaries of hearing.

The hearing proceeded as scheduled.

APPENDIX III – FURTHER INFORMATION

On 12 February 2025, the Tribunal published its final award in favour of TTCL ("**the Final Award**"). An action to set aside the Final Award has been commenced under the case number WA-24NCC(ARB)-11-03/2025 at High Court of Malaya in Kuala Lumpur (see item 2 below).

(2) **Setting Aside of the Final Award dated 24 January 2025 published on 12 February 2025 filed in the High Court of Malaya in Kuala Lumpur vide Originating Summons No. WA-24NCC(ARB)-11-03/2025**

On 27 March 2025, DNeX Semi filed an originating summons ("**OS**") in the Kuala Lumpur High Court registered under WA-24NCC(ARB)-11-03/2025 against TTCL and SiITerra ("**Setting Aside OS**") to set aside the final award dated 24 January 2025 ("**Final Award**") delivered by the sole arbitrator in Arbitration Case No. AIAC/INT/ADM-1144-2022 in favour of TTCL in a claim brought by TTCL against DNeX Semi and SiITerra. The reliefs sought in the Setting Aside OS are as follows:-

- (a) that the Final Award be set aside, in full or in part;
- (b) that the recognition and/or enforcement of the Final Award be stayed pending the final determination of the Setting Aside OS;
- (c) the costs of the Setting Aside OS be paid by TTCL; and
- (d) such further orders and/or reliefs that the Court deems fit and just.

As at LPD, DNeX Semi has filed its affidavit in reply on 26 May 2025. The hearing of the setting aside is fixed on 04 August 2025.

DNeX Semi's solicitors on records are of the opinion that DNeX Semi has an even chance of succeeding in the Setting Aside OS.

(3) **In the Matter of an AIAC Arbitration between DNeX & DNeX Semi (Claimant) and MIMAS (Respondent) (AIAC Case No. AIAC/INT/ADM-1153-2023)**

Consolidated with

In the Matter of an AIAC Arbitration Between Dagang Nexchange Berhad and DNeX Semi (Claimant) and MIMAS (Respondent)(AIAC Case No. AIAC/INT/ADM-1154-2023)

(Consolidated Arbitration reference number : AIAC/INT/ADM-1153- 2023)

DNeX and Beijing Integrated Circuit Advanced Manufacturing and HighEnd Equipment Equity Investment Fund Center (Limited Partnership) ("**CGP**") had respectively acquired, through DNeX Semiconductor Sdn Bhd ("**DNeX Semi**") and Tethystronics Technologies Company Limited ("**TTCL**"), 60% and 40% of the shareholding of SiITerra from Khazanah Nasional Berhad ("**Khazanah**") pursuant to a Share Sale and Purchase Agreement dated 31 March 2021 between DNeX, CGP and Khazanah (the "**SiITerra SSPA**").

Pursuant to the SSPA, both DNeX Semi and MIMAS were required to comply with the conditions imposed for the issuance of the manufacturing license ("**the License**") under the Industrial Co-ordination Act 1975 ("**the Act**"). Amongst other things, it was a condition that at least 55% of the shareholding of SiITerra was to be owned by a Malaysian entity.

APPENDIX III – FURTHER INFORMATION

To achieve this funding requirement, DNeX Semi sought to issue Irredeemable Convertible Preference Shares ("**ICPS**") subscription exercise pursuant to a subscription agreement dated 21 January 2022 between DNeX Semi, MIMAS and DNeX ("**DNeX Semi SSPA**") by which MIMAS would become a shareholder of DNeX Semi in return for a payment of RM100 million. The rights of the DNeX Semi and MIMAS as shareholders was to be regulated by another Shareholders' Agreement dated 21 January 2022 between DNeX Semi, MIMAS and DNeX ("**DNeX Semi SHA**"). Both DNeX Semi SSPA and DNeX Semi SHA collectively referred to as the DNeX Semi Agreements.

The DNeX Semi Agreements were not made conditional upon the prior approval of Ministry of International Trade and Industry ("**MITI**") and/or Malaysian Investment Development Authority ("**MIDA**"). However, after the execution of the DNeX Semi Agreements, MITI informed the parties that its prior approval was required by way of a letter dated 28 February 2022.

MIMAS took the position that such approval was not required and maintains that the DNeX Semi Agreements are valid and enforceable.

It is the position of DNeX and DNeX Semi that the SSA and the SHA are void by reason of section 21 of the Contracts Act 1950 which provides that where both parties to an agreement are under a mistake as to a matter of fact essential to the agreement, the agreement is void. In this case, both parties entered into the DNeX Semi Agreements under the mutual mistaken belief that prior approval from MITI and/or MIDA was not required. Upon entering into the DNeX Semi Agreements, MITI confirmed that their approval was required prior to entering into the DNeX Semi Agreements. The existence of this mutual mistake as to this crucial fact entitles DNeX and DNeX Semi to rely on section 21 of the Contracts Act 1950.

The hearing proceeded as scheduled on 24, 25, 26, 28 & 29 of October 2024. The hearing continued and concluded on 17 February 2025.

The Tribunal has directed the parties to submit their respective written arguments for its consideration / deliberation. Thereafter, the Tribunal will decide whether an oral hearing would be required. If none is required, the Tribunal would proceed to determine the dispute in the arbitration.

As at the LPD:

- a) the parties are in the midst of preparing written submissions as directed by the Tribunal;
- b) no decision date is fixed as at LPD as the Tribunal would review the legal submissions filed by the parties before doing so.

The solicitors on records of the Claimant are of the view that DNeX and DNeX Semi has a fair chance of success in the above arbitration subject to the evaluation of evidence by the Tribunal.

(4) **Commencement of Originating Summons vide case number WA-24NCC(ARB)-55-12/2022 by TTCL (the "Plaintiff") against DNeX Semi and SilTerra ("OS") in relation to a shareholders' agreement dated 8 July 2021 entered between TTCL and DNeX Semi**

The underlying action is an Originating Summons commenced by TTCL on 7 December 2022 filed pursuant to section 11 and 19J, Arbitration Act 2005 amongst other provisions of written law) (the "**OS**") in aid of an intended arbitration between TTCL, DNeX Semi and SilTerra (collectively, the "**Defendants**"). TTCL sought orders aimed at preserving the status quo pending said determination.

APPENDIX III – FURTHER INFORMATION

At the time the OS was filed, the arbitration had not yet commenced. The notice of arbitration was issued subsequently on 13 December 2022. The dispute referred to arbitration concerns the validity of the appointment by DNeX Semi of 4 additional directors to the SilTerra Board of Directors (the "**SilTerra Board**"), and steps taken towards such appointment. This culminated into **AIAC/INT/ADM-1144-2022** arbitration as described in sub-section (ii)(1) above.

After a series of injunctions and striking out applications filed and argued in court, the parties decided to find an amicable resolution and accordingly, parties entered into an ad interim consent order dated 9 January 2023 (the "**Ad Interim Consent Order**").

Shortly before the hearing of the OS, TTCL and DNeX Semi had commenced discussions to work out a mutually agreeable interim preservation framework pending the determination of the arbitration, which would then allow the said parties to compromise the OS as well as the Interim Injunction Application.

TTCL and DNeX Semi had then arrived at an agreement as to the terms of the said preservation framework on 15 February 2023. This was then recorded as a consent order on 22 February 2023 with the agreement of SilTerra (the "**Consent Order**").

The Consent Order was in substance and effect identical to the Ad Interim Consent Order save that it was to preserve status quo pending the determination of the TTCL Arbitration.

After a lengthy series discussion and disagreement among the directors of SilTerra, on 17 March 2023, the head of legal of SilTerra issued the email to the then Company Secretary of SilTerra, instructing them to "immediately take all steps to remove the names of the four (4) additional directors as being directors of SilTerra".

On 20 March 2023, the then Company Secretary of SilTerra, acting on instructions, circulated the draft directors' written resolution (DWR) "*in relation to the cessation of Directors*" the same was signed by the directors nominated TTCL despite the objections raised by DNeX Semi's directors.

In this regard, DNeX takes the position that the 4 additional directors were removed in breach and/or in violation of the terms of the Consent Order.

The contempt proceedings:-

Accordingly, on 11 July 2023, DNeX Semi commenced contempt proceedings by seeking leave of the court to commence committal proceedings against the directors and officers of SilTerra ("**Contemnors**").

On 7 August 2023, the High Court granted leave to DNeX Semi to commence committal proceedings against the Contemnors.

The hearing was fixed on 30 September 2024. The Court however dismissed the application for committal order. DNeX had then lodge an appeal to the Court of Appeal against the decision of the High court which registered as W-02(IM)(NCC)-1894-10/2024 and the hearing for this appeal has been fixed on 04 September 2025.

The Solicitors on records of DNeX Semi is of the opinion that DNeX Semi has a fair chance of success in its appeal.

APPENDIX III – FURTHER INFORMATION

- iii. **Appeal filed by Nuraslina binti Zainal Abidin ("Nuraslina" or the "Appellant") against DNeX, Dagang Net (a wholly-owned subsidiary of DNeX) and Genaxis Group Sdn Bhd ("GGSB") (DNeX, Dagang Net and GGSB, collectively the "Respondents") vide case no. WA-02(NCC)(A)-1783-2022 at the Court of Appeal, Palace of Justice Putrajaya**

The Appellant (who holds approximately 1.32% equity interest in GGSB), had on 6 October 2021 filed an Originating Summons with the case no. WA-24NCC-441-10/2921 against the Respondents alleging that her rights as a minority shareholder of GGSB are being oppressed by its majority shareholder, Dagang Net (which holds approximately 98.68% equity interest in GGSB) and seeking amongst others, the following reliefs:-

1. A declaration that Dagang Net and DNeX have conducted the affairs of GGSB in a manner oppressive, prejudicial and in complete disregard to the interest of the Plaintiff as member of GGSB;
2. A declaration that the Plaintiff is relieved of and is not liable to any profit guarantee given by the Plaintiff in the shareholders agreement in GGSB;
3. An Order that Dagang Net purchase all the Plaintiff's shares in GGSB at a fair value to be determined by the Court or an independent valuer appointed by the Court.

On 22 August 2022, the High Court of Kuala Lumpur dismissed the Appellant's claim and the Appellant then file this appeal against the decision of the High Court.

As at the LPD, the Court of Appeal has fixed the hearing on 10 July 2025.

The Respondents' solicitors are of the view that the Respondents have a fair chance of success in opposing the appeal.

5. MATERIAL COMMITMENTS

As at the LPD, the Board is not aware of any material commitments incurred or known to be incurred by the Group, which upon becoming enforceable, may have a material impact on the financial results or position of the Group.

6. CONTINGENT LIABILITIES

As at the LPD, the Board is not aware of any contingent liabilities incurred or known to be incurred, which upon becoming enforceable, may have a material impact on the financial results or position of the Group.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Company's registered office at E-10-4, Megan Avenue 1 189, Jalan Tun Razak 50400 Kuala Lumpur Wilayah Persekutuan Malaysia, during the normal business hours from Monday to Friday (except public holidays) from the date hereof up to the time stipulated for the holding of the EGM:-

- i. The constitution of DNeX;
- ii. Draft Deed Poll;
- iii. Existing ESOS Bylaws;
- iv. Draft LTIP Bylaws;

APPENDIX III – FURTHER INFORMATION

- v. The cause papers referred to in **Section 4** hereinabove;
- vi. The audited consolidated financial statements of DNeX Group for the past 2 financial years up to the FYE 31 December 2024, as well as the unaudited consolidated financial statements for the 3-month FPE 31 March 2025; and
- vii. The letter of consent and declaration of conflict of interest referred to in **Section 2** and **Section 3** hereinabove, respectively.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK



DAGANG NeXCHANGE BERHAD
Registration No. 197001000738 (10039-P)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Extraordinary General Meeting ("**EGM**") of Dagang NeXchange Berhad ("**DNeX**" or the "**Company**"), which will be conducted at The Summit 2, Level M1, The Vertical, Connexion Conference & Event Centre, Bangsar South City, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia on Thursday, 26 June 2025 at 11.00 a.m. (or immediately following the conclusion or adjournment of the Fifty-Fourth Annual General Meeting of the Company scheduled to be held on the same day at 10.00 a.m., whichever is later) for the purpose of considering and if thought fit, passing with or without modification the resolution as set out in this notice.

ORDINARY RESOLUTION 1

PROPOSED BONUS ISSUE OF UP TO 1,214,838,309 FREE WARRANTS IN DNeX ("WARRANT(S)") ON THE BASIS OF 1 WARRANT FOR EVERY 3 ORDINARY SHARES IN DNeX ("DNeX SHARE(S)" OR "SHARE(S)") ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER ("ENTITLEMENT DATE") ("PROPOSED BONUS ISSUE OF WARRANTS")

"**THAT**, subject to the approvals of all relevant authorities and/ or parties (where applicable) being obtained for the Proposed Bonus Issue of Warrants, authority be and is hereby given to the Board of Directors of DNeX ("**Board**") to issue and allot up to 1,214,838,309 Warrants to the entitled shareholders whose names appear in the Record of Depositors of the Company as at the close of business on the Entitlement Date on the basis of 1 Warrant for every 3 existing DNeX Shares held in accordance with the deed poll to be executed by the Company, constituting the Warrants.

THAT the Board be and is hereby authorised to fix the exercise price of the Warrants on the basis and manner set out in the circular to shareholders of the Company dated 12 June 2025 ("**Circular**").

THAT the Board be and is hereby authorised to enter into and execute a deed poll constituting the Warrants ("**Deed Poll**") with full powers to assent to any condition, modification, variation and/ or amendment in any manner as may be required or imposed by the relevant authorities or as the Board may deem necessary or expedient in the best interest of the Company, and with full powers for the Board to implement, finalise and give full effect to the Deed Poll.

THAT the Board be and is hereby authorised to issue and allot such an appropriate number of Warrants in accordance with the provisions of the Deed Poll and where required, to adjust the exercise price and/ or the number of Warrants to be issued (including, without limitation, any additional Warrants as may be required or permitted to be issued) in consequence of the adjustments pursuant to the provisions of the Deed Poll.

THAT the Board be and is hereby authorised to issue and allot such appropriate number of new DNeX Shares pursuant to the exercise of the Warrants by the holders of the Warrants in accordance with the provisions of the Deed Poll.

THAT the Board be and is hereby authorised to disregard and deal with any fractional entitlements from the Proposed Bonus Issue of Warrants, if any, in such a manner at its absolute discretion as the Board may deem fit and expedient and in the best interest of the Company.

THAT the new DNeX Shares to be issued pursuant to the exercise of the Warrants will, upon allotment and issuance, rank equally in all respects with the existing DNeX Shares, save and except that the new DNeX Shares will not be entitled to any dividends, rights, allotments and/ or any other forms of distribution where the entitlement date precedes the relevant date of allotment and issuance of the new DNeX Shares.

THAT the Board be and is hereby authorised to use the proceeds to be raised from the exercise of the Warrants for such purposes and in such manner as set out in **Section 2.5** of the Circular, and the Board be authorised with full powers to vary the manner and/ or purpose of the use of such proceeds in such manner as the Board may deem fit, necessary and/ or expedient or in the best interest of the Company, subject to the approval of the relevant authorities (where required).

AND THAT, the Board be and is hereby authorised to sign and execute all documents, do all acts, deeds and things as may be required to give effect to and to complete the Proposed Bonus Issue of Warrants with full power to assent to any conditions, variations, modifications and/ or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts, deeds and things for and on behalf of the Company in any manner as they may deem fit or necessary or expedient to implement, finalise and give full effect to the Proposed Bonus Issue of Warrants."

ORDINARY RESOLUTION 2

PROPOSED VARIATION OF THE COMPANY'S EXISTING EMPLOYEE SHARE OPTION SCHEME ("EXISTING ESOS") OF UP TO 5% OF THE ISSUED SHARE CAPITAL OF THE COMPANY (EXCLUDING TREASURY SHARES OF DNeX, IF ANY) AT ANY POINT IN TIME DURING THE DURATION OF THE EXISTING ESOS, INTO A LONG-TERM INCENTIVE PLAN ("PROPOSED LTIP"), WHICH COMPRISES A PROPOSED EMPLOYEE SHARE OPTION SCHEME AND A PROPOSED SHARE GRANT PLAN, OF UP TO 5% OF THE ISSUED SHARE CAPITAL OF THE COMPANY (EXCLUDING TREASURY SHARES OF DNeX, IF ANY) AT ANY POINT IN TIME DURING THE DURATION OF THE PROPOSED LTIP, FOR ELIGIBLE EMPLOYEES AND DIRECTORS (EXECUTIVE AND NON-EXECUTIVE) OF DNeX AND ITS SUBSIDIARIES, WHICH ARE NOT DORMANT, WHO FULFIL THE ELIGIBILITY CRITERIA AS SET OUT IN THE BYLAWS OF THE PROPOSED LTIP ("PROPOSED VARIATION")

"**THAT**, subject to the approvals of all relevant authorities and/ or parties being obtained, approval be and is hereby given for the Company to undertake a proposed variation of the Existing ESOS of up to 5% of the issued share capital of the Company (excluding treasury shares, if any) at any point in time during the duration of the Existing ESOS, by varying the Existing ESOS into the Proposed LTIP;

THAT the Proposed LTIP shall comprise:-

- a) an employee share option scheme; and
- b) a share grant plan,

which in aggregate shall involve the issuance of new ordinary shares in DNeX of up to 5% of the total issued share capital of the Company (excluding treasury shares, if any) at any point in time throughout the duration of the Proposed LTIP, for the benefit of eligible employees and Directors (Executive and Non-Executive) of DNeX and its subsidiaries (excluding dormant subsidiaries), who fulfil the eligibility criteria set out in the LTIP Bylaws;

THAT the Board be and is hereby authorised and empowered to:-

- (i) implement and administer the Proposed Variation;
- (ii) amend the Existing ESOS Bylaws by adopting the LTIP Bylaws, a draft of which is set out in Appendix II of the Circular;
- (iii) reconstitute the ESOS Committee into a committee ("**LTIP Committee**") by which the Proposed LTIP will be administered in accordance with the LTIP Bylaws by the said LTIP Committee, who will be responsible for, amongst others, implementing and administering the Proposed LTIP. The members of the LTIP Committee shall comprise such number of persons identified by the Board from time to time;
- (iv) determine the subscription price of the ESOS Options (as defined herein) based on the terms and conditions set out in the LTIP Bylaws;

- (v) allot and issue new DNeX Shares, acquire existing DNeX Shares from open market of Bursa Malaysia Securities Berhad and/ or transfer such number of treasury shares or ordinary shares of DNeX and/ or undertake such actions to satisfy the ESOS Options and/ or SGP Awards as may be permitted in the LTIP Bylaws upon its vesting and/ or exercise (as the case may be) subject to the terms and conditions of the LTIP Bylaws;
- (vi) add, amend, modify and/ or delete all or any part of the terms and conditions as set out in the LTIP Bylaws governing the Proposed LTIP from time to time provided that such addition, amendment, modification and/ or deletion are effected in accordance with the provisions of the LTIP Bylaws, and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Proposed LTIP;

THAT any new DNeX Shares to be allotted and issued shall, upon allotment and issuance, rank equally in all respects with the existing DNeX Shares save and except that such DNeX Shares will not be entitled to any dividends, rights, allotments and/ or any other forms of distributions that may be declared, made or paid to shareholders where the entitlement date of which precedes the relevant date of issuance and allotment of such DNeX Shares.

THAT pursuant to Section 85 of the Companies Act, 2016 ("**Act**") read together with the Constitution of the Company, the shareholders of the Company do hereby waive their pre-emptive rights to be offered new DNeX Shares ranking equally to the existing issued DNeX Shares arising from any issuance of new DNeX Shares pursuant to the Proposed LTIP.

THAT the Board of Directors of the Company be and is hereby authorised to sign and execute all relevant documents, and to do all acts, deeds and things as may be necessary or expedient to give full effect to the Proposed Variation, with full power to assent to any conditions, variations, modifications and/ or amendments as may be required or permitted by the relevant authorities or deemed necessary by the Board in the best interests of the Company.

AND THAT the draft LTIP Bylaws as set out in Appendix II of the Circular and which is in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad be and is hereby approved and adopted."

ORDINARY RESOLUTIONS 3 TO 12

PROPOSED ALLOCATION OF EMPLOYEES' SHARE OPTION SCHEME'S OPTIONS AND/ OR SHARE GRANTS UNDER THE SHARE GRANT PLAN PORTION OF THE PROPOSED LONG-TERM INCENTIVE PLAN TO THE DIRECTORS, CHIEF EXECUTIVE OR INTERESTED PERSON CONNECTED WITH THE DIRECTOR OR CHIEF EXECUTIVE OF DNE X

"**THAT**, subject to and conditional upon the passing of Ordinary Resolution 2 pertaining to the Proposed LTIP—which constitutes a proposed variation of the Existing ESOS—and the approvals of all relevant authorities, approval be and is hereby given to the Board to authorise the LTIP Committee, at any time and from time to time throughout the duration of the Proposed LTIP, to offer and grant ESOS options and/ or share awards (in the form of share grants) to the following Directors, Chief Executive or persons connected to the Director and Chief Executive of DNeX under the Proposed LTIP:

- i. Tan Sri Dato' Sri Haji Syed Zainal Abidin bin Syed Mohamed Tahir – Ordinary Resolution 3
- ii. Datuk Johar bin Che Mat – Ordinary Resolution 4
- iii. Dato' Robert Fisher – Ordinary Resolution 5
- iv. Chandramohan Subramaniam – Ordinary Resolution 6
- v. Zalina binti Shaher – Ordinary Resolution 7
- vi. Haslinda bt Hussein – Ordinary Resolution 8
- vii. Dr. Chen, Wei-Ming – Ordinary Resolution 9
- viii. Mohd Isa bin Ismail – Ordinary Resolution 10
- ix. Muhammad Saifullah bin Mohd Isa – Ordinary Resolution 11
- x. Faizal Sham bin Abu Mansor – Ordinary Resolution 12

Provided always that:-

- a. the respective Director, Chief Executive or interested person connected with the Director or Chief Executive shall not participate in the deliberation or discussion of his/ her own allocation of ESOS options and/ or share grants;
- b. the allocation to any Director who, either individually or collectively through persons connected with him/her, holds 20% or more of the total number of issued shares of DNeX (excluding treasury shares, if any), shall not exceed 10% of the total number of new DNeX shares to be issued under the Proposed LTIP; and
- c. such allocation shall be subject to the terms and conditions and/ or any adjustments which may be made in accordance with the provisions of the by-laws of the Proposed LTIP, the Main Market Listing Requirements of Bursa Securities, or any prevailing guidelines issued by any relevant authority, as amended from time to time.

AND THAT the Board be and is hereby authorised to procure the transfer of existing DNeX Shares (including treasury shares, where applicable) arising from the vesting of share grants that may be awarded to the above Directors, Chief Executive or interested person connected with the Director or Chief Executive under the Proposed SGP, in accordance with the terms of the Proposed LTIP and the by-laws thereof."

By Order of the Board

Chin Wai Yi (MAICSA 7069783) (SSM PC No. 202008004409)
Company Secretary

Kuala Lumpur, Malaysia
12 June 2025

NOTES:

1. *A Company member entitled to attend, speak and vote at this EGM may appoint a proxy to attend, speak and vote on their behalf. A proxy may but need not be a member of the Company, and a member may appoint any person to be their proxy without limitation.*
2. *If a member appoints more than one (1) proxy to attend and vote at the same EGM, the appointment shall be invalid unless the member specifies the proportion of their holdings to be represented by each proxy.*
3. *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depository) Act, 1991 ("SICDA"), they may appoint one (1) proxy for each security account that holds ordinary shares of the Company standing to the credit of the said security account.*
4. *Where a member of the Company is an exempt authorised nominee holding ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*

An exempt authorised nominee refers to an authorised nominee defined under the SICDA who is exempted from compliance with the provisions of subsection 25A(1) of the SICDA.
5. *The instrument appointing a proxy shall be in writing by the appointer or an attorney duly authorised in writing or, if the appointer is a corporation, whether under its seal or by an officer or attorney duly authorised.*
6. *The instrument appointing either a proxy, a power of attorney or other authorities, where it is signed or certified by a notary as a true copy shall be deposited with the Share Registrar of the Company, GAP Advisory Sdn. Bhd. at E-10-4, Megan Avenue 1, 189, Jalan Tun Razak, 50400 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia or email to ir.shareregistry@gapadvisory.my not less than forty eight (48) hours before the time appointed for holding the EGM EGM (no later than Tuesday, 24 June 2025 at 11.00 a.m.) or at any adjournment thereof, and in default the instrument of proxy shall not be treated as valid.*
7. *The right of foreigners to vote in respect of deposited securities is subject to Sections 41(1)(e) and 41(2) of the SICDA, the Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996 and the Constitution of the Company.*
8. *In respect of deposited securities, only members whose names appear in the Record of Depositors on 19 June 2025 (General Meeting Record of Depositors) shall be eligible to attend, speak and vote at this EGM.*
9. *Any alteration in the Proxy Form must be initialed.*
10. *Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolution set out in the Notice of EGM will be put to the vote by poll.*

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/ or representative(s) to attend, speak and vote at the EGM and/ or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/ or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/ or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/ or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/ or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

FORM OF PROXY



DAGANG NeXCHANGE BERHAD

Registration No.: 197001000738 (10039-P)
(Incorporated in Malaysia under the Companies Act 1965
and deemed registered under the Companies Act 2016)

No. of Shares Held	
CDS Account No.	
Telephone No.	

*I/We, _____
(Full name as per NRIC/Certificate of Incorporation in CAPITAL letters)

*Registration/Passport/NRIC No. _____ of

(FULL ADDRESS)

being a member / members of **Dagang NeXchange Berhad** ("DNeX" or the "**Company**") hereby appoint the person(s) below as my/our proxy(ies) to vote for me/us and on my/our behalf at the EGM of the Company will be conducted at The Summit 2, Level M1, The Vertical, Connexion Conference & Event Centre, Bangsar South City, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia on Thursday, 26 June 2025 at 11.00 a.m. (or immediately following the conclusion or adjournment of the Fifty-Fourth Annual General Meeting of the Company scheduled to be held on the same day at 10.00 a.m., whichever is later).

IMPORTANT NOTE:

Please (i) tick [✓] either **ONE** of the option (a) or (b) for the number of proxy which you wish to appoint, (ii) complete the details of your proxy/proxies and the proportion of your shareholding to be represented (if applicable), (iii) please tick [✓] option (c) if you would like to appoint the Chairman of the EGM as the proxy or failing the proxy to vote on your behalf and (iv) sign or execute this form.

Option	Name of proxy(ies)	NRIC/ Passport No.	Email Address & Phone No.	Proportion of shareholding to be represented
(a)	Appoint ONE proxy only (Please complete details of proxy below)			
				100%
(b)	Appoint MORE THAN ONE proxy (Please complete details of proxies below)			
Proxy 1				%
Proxy 2				%
				100%
(c)	The Chairman of the EGM as my/our proxy and/or failing the above proxy to vote for me/us on my/our behalf			

*My/our *proxy/proxies shall vote as follows:

Please indicate with an "X" in the appropriate box provided to indicate how you wish your vote to be cast. If you do not indicate how you wish your proxy to vote on the Resolutions, the proxy shall vote at his/her discretion, or abstain from voting as the proxy thinks fit.

NO.	RESOLUTIONS	FOR		AGAINST	
		PROXY 1	PROXY 2	PROXY 1	PROXY 2
Ordinary Resolution 1	Proposed Bonus Issue of warrants				
Ordinary Resolution 2	Proposed Variation				
Ordinary Resolution 3	Proposed Allocation To Tan Sri Dato' Sri Haji Syed Zainal Abidin Bin Syed Mohamed Tahir				
Ordinary Resolution 4	Proposed Allocation To Datuk Johar Bin Che Mat				
Ordinary Resolution 5	Proposed Allocation To Dato' Robert Fisher				
Ordinary Resolution 6	Proposed Allocation To Chandramohan Subramaniam				
Ordinary Resolution 7	Proposed Allocation To Zalina Binti Shaher				
Ordinary Resolution 8	Proposed Allocation To Haslinda Bt Hussein				
Ordinary Resolution 9	Proposed Allocation To Dr. Chen, Wei-Ming				
Ordinary Resolution 10	Proposed Allocation To Mohd Isa Bin Ismail				
Ordinary Resolution 11	Proposed Allocation To Muhammad Saifullah Bin Mohd Isa				
Ordinary Resolution 12	Proposed Allocation To Faizal Sham Bin Abu Mansor				

Dated this.....day of.....2025.

.....
Signature/common seal of shareholder

Notes:-

NOTES:

1. *A Company member entitled to attend, speak and vote at this EGM may appoint a proxy to attend, speak and vote on their behalf. A proxy may but need not be a member of the Company, and a member may appoint any person to be their proxy without limitation.*
2. *If a member appoints more than one (1) proxy to attend and vote at the same EGM, the appointment shall be invalid unless the member specifies the proportion of their holdings to be represented by each proxy.*
3. *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depository) Act, 1991 ("**SICDA**"), they may appoint one (1) proxy for each security account that holds ordinary shares of the Company standing to the credit of the said security account.*
4. *Where a member of the Company is an exempt authorised nominee holding ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*

An exempt authorised nominee refers to an authorised nominee defined under the SICDA who is exempted from compliance with the provisions of subsection 25A(1) of the SICDA.

5. *The instrument appointing a proxy shall be in writing by the appointer or an attorney duly authorised in writing or, if the appointer is a corporation, whether under its seal or by an officer or attorney duly authorised.*
6. *The instrument appointing either a proxy, a power of attorney or other authorities, where it is signed or certified by a notary as a true copy shall be deposited with the Share Registrar of the Company, GAP Advisory Sdn. Bhd. at E-10-4, Megan Avenue 1, 189, Jalan Tun Razak, 50400 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia or email to ir.shareregistry@gapadvisory.my not less than forty eight (48) hours before the time appointed for holding the EGM (no later than Tuesday, 24 June 2025 at 11.00 a.m.) or at any adjournment thereof, and in default the instrument of proxy shall not be treated as valid.*
7. *The right of foreigners to vote in respect of deposited securities is subject to Sections 41(1)(e) and 41(2) of the SICDA, the Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996 and the Constitution of the Company.*
8. *In respect of deposited securities, only members whose names appear in the Record of Depositors on 19 June 2025 (General Meeting Record of Depositors) shall be eligible to attend, speak and vote at this EGM.*
9. *Any alteration in the Proxy Form must be initialed.*
10. *Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolution set out in the Notice of EGM will be put to the vote by poll.*

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Fold this flap for sealing

Fold here

AFFIX
STAMP

GAP ADVISORY SDN. BHD.
Registration Number: 202001042098 (1398419-T)
E-10-4, Megan Avenue 1
189, Jalan Tun Razak
50400 Kuala Lumpur
W.P. Kuala Lumpur
Malaysia

Fold here