DAGANG NeXCHANGE BERHAD

(Company No. 10039-P)
(Incorporated in Malaysia under the Companies Act, 1965)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Forty Ninth Annual General Meeting ("49th AGM") of Dagang NeXchange Berhad ("DNeX" or the "Company") will be held at Connexion Conference & Event Centre, Grand Nexus (Level 3A), Nexus, Bangsar South City, No. 7, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia on Wednesday, 19 June 2019 at 10.00 a.m. for the following purposes:-

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2018 together with the reports of the Directors and Auditors thereon.
2. To approve the payment of a final single-tier dividend of 0.5 sen per ordinary share in respect of the financial year ended 31 December 2018. **Resolution 1**
3. To re-elect the following Directors who retire by rotation pursuant to Article 94 of the Company's Constitution and who being eligible offer themselves for re-election:
   (a) Tan Sri Abd Rahman Mamat **Resolution 2**
   (b) Dato' Wong Kam Yin **Resolution 3**
   (c) Ang Hsin Hsien **Resolution 4**
4. To re-elect Zainal 'Abidin Abd Jalil who retires pursuant to Article 99 of the Company's Constitution and who being eligible offers himself for re-election. **Resolution 5**
5. To approve the following Directors' fees and benefits payable in respect of the financial year ending 31 December 2019: **Resolution 6**
   (a) Directors' fees of RM10,000 per month for the Non-Executive Chairman and RM5,000 per month for each of the Non-Executive Directors of which payments shall be made on a quarterly basis after the end of each quarter;
   (b) Directors' fees of RM4,000 per month for the Non-Executive Chairman of the Board Audit Committee and RM2,000 per month for each of the Non-Executive Directors who are members of the Board Audit Committee of which payments shall be made on a quarterly basis after the end of each quarter; and
   (c) the payment of Directors' remuneration to Non-Executive Directors which include meeting attendance allowance, medical and hospitalisation coverage, business travel and other claimable benefits as and when incurred.
6. To re-appoint Crowe Malaysia PLT as auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to determine their remuneration. **Resolution 7**

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following Ordinary Resolution and Special Resolution, with or without modifications:

7. **AUTHORITY TO ISSUE SHARES PURSUANT TO SECTION 75 OF THE COMPANIES ACT, 2016** **Resolution 8**

   "THAT subject always to the Companies Act 2016, the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR") and the approvals from the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered pursuant to Section 75 of the Companies Act 2016 to issue and allot shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten (10) percent of the total number of issued shares of the Company for the time being AND THAT the Directors be and are also hereby empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing and quotation of the additional shares so issued AND THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

8. **PROPOSED ALTERATION OR AMENDMENT OF THE CONSTITUTION OF THE COMPANY** **Special Resolution**

   "THAT approval be and is hereby given to alter or amend the whole of the existing Constitution of the Company by the replacement thereof with a new Constitution of the Company as set out in Appendix A with immediate effect AND THAT the Board of Directors of the Company be and is hereby authorised to assent to any conditions, modifications and/or amendments as may be required by any relevant authorities, and to do all acts and things and take all such steps as may be considered necessary to give full effect to the foregoing."

9. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 and the Company's Constitution.

FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining a member who shall be entitled to attend this 49th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Article 55(b) of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 12 June 2019. Only a depositor whose name appears on the Record of Depositors as at 12 June 2019 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT DATE

NOTICE IS HEREBY GIVEN THAT subject to the approval of the Company's shareholders at the 49th AGM to be held on 19 June 2019 or at any adjournment thereof, a final single-tier dividend of 0.5 sen per ordinary share for the financial year ended 31 December 2018 will be paid on 31 July 2019 to depositors whose names appear in the Record of Depositors at the close of business on 10 July 2019.

A depositor shall qualify for entitlement to the dividend in respect of:

(a) ordinary shares transferred to the depositor's securities account before 4.00 p.m. on 10 July 2019 in respect of transfers; and
(b) ordinary shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD
Keh Ching Tyng, MAICSA 7050134
Company Secretary

Selangor
30 April 2019

NOTES:-

1. A member entitled to attend and vote at the meeting is entitled to appoint proxy/proxies to attend and vote in his/her stead. A proxy may but need not be a member of the Company.
2. In the case of corporate member, the instrument appointing a proxy ("Form of Proxy") shall be either (a) under its Common Seal or (b) under the hand of duly authorised officer or attorney and in the case of (b), be supported by a certified true copy of the resolution appointing such officer or certified true copy of the power of attorney.
3. A member of the Company holding 1,000 shares or less in the Company shall be entitled to appoint one (1) proxy to attend and vote at the same meeting. A member holding more than 1,000 shares in the Company shall be entitled to appoint a maximum of two (2) proxies to attend and vote at the same meeting and such appointment shall be invalid unless the member specifies the proportion of his/her shareholding to be represented by each proxy.
4. Where a member is an authorised nominee, as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds which is credited with ordinary shares of the Company. The appointment of two (2) proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
5. Where a member is an exempt authorised nominee (EAN) as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the EAN may appoint in respect of each omnibus account it holds. EAN is advised to list down the name of proxies and the particulars of their NRIC No. (both new and old) and attach it to the Form of Proxy.
6. Any alteration to the Form of Proxy must be initialised. The Form of Proxy duly completed must be deposited at the office of the Share Registrar, Mega Corporate Services Sdn. Bhd. at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur not less than twenty four (24) hours before the time fixed for holding the meeting or any adjournment thereof.
7. **EXPLANATORY NOTES ON ORDINARY BUSINESS**

   (I) **Audited Financial Statements for the financial year ended 31 December 2018**

   The audited financial statements are laid in accordance with Section 340(1)(a) of the Companies Act 2016 for discussion only under Agenda 1. They do not require shareholders' approval and hence, will not be put for voting.

   (II) **Final Single-Tier Dividend**

   On 27 February 2019, the Board of Directors of the Company ("Board") recommended a final single-tier dividend of 0.5 sen per ordinary share in respect of the financial year ended 31 December 2018 for the shareholders' approval at the 49th AGM. If Resolution 1 is passed, the dividend will be paid on 31 July 2019 to those shareholders whose names appear in the Record of Depositors at the close of business on 10 July 2019.

   (III) **Re-election of Directors who retire in accordance with Article 94 and Article 99 of the Company's Constitution**

   Article 94 of the Company's Constitution provides that an election of Directors shall take place at an Annual General Meeting of the Company. All Directors shall retire from office once at least in every 3 years, but shall be eligible for re-election. With the current Board size, three (3) Directors are to retire in accordance with Article 94 of the Company's Constitution. The shareholders' approval is sought under Resolutions 2, 3 and 4.

   Article 99 of the Company's Constitution provides that where a person has been appointed as Director either to fill a casual vacancy or as an additional Director, he shall hold office only until the next annual general meeting and shall then be eligible for re-election, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

   Tan Sri Abd Rahman Mamat, Dato' Wong Kam Yin and Ang Hsin Hsien are standing for re-election as Directors of the Company. The Nomination and Remuneration Committee ("NRC") and the Board have considered the assessment of the three (3) Directors and collectively agree that they meet the criteria of character, experience, integrity, competence and time commitment to effectively discharge their respective roles as Directors, as prescribed by Paragraph 2.20A of the MMLR. The profiles of these Directors are set out on pages 34, 37 and 40 of the Company's Annual Report for the financial year ended 31 December 2018. The Board, through the NRC had carried out an assessment of the independence of Tan Sri Abd Rahman Mamat pursuant to the criteria as prescribed by the MMLR and Malaysian Code on Corporate Governance and are satisfied that he meets the criteria for independence. Tan Sri Abd Rahman Mamat was appointed as Director and Chairman of the Company on 12 December 2013 and 16 December 2013, respectively and does not exceed the tenure of nine (9) years.

   The retiring Directors had abstained from deliberation and decision on their own eligibility to stand for re-election at the relevant NRC and Board meetings, where applicable.

   (IV) **Directors' fees and benefits payable to Non-Executive Directors**

   The proposed Resolution 6 is intended to seek mandate from the shareholders to allow the Company to pay Directors' fees to the Non-Executive Directors on a quarterly basis after the end of each quarter. The Directors' fees and benefits payable to the Non-Executive Directors for the financial year ending 31 December 2019 are based on the existing rates as approved by the shareholders during the 48th Annual General Meeting held on 6 June 2018.

   The Directors' remuneration (excluding Directors' fees) comprises the allowances and other emoluments payable to Non-Executive Directors, details of which are as follows:-

   (a) Meeting attendance allowance (per meeting)
   - Chairman of the Board – RM1,500
   - Member of the Board – RM1,500
   - Chairman of Board Committees – RM1,000
   - Member of Board Committees – RM750

   (b) Other benefits
   - Medical and hospitalisation coverage, business travel and other claimable benefits.

   Payment of the Directors' remuneration (excluding Directors' fees) to Non-Executive Directors will be made by the Company as and when incurred if the proposed Resolution 6 has been passed at the 49th AGM.

8. **EXPLANATORY NOTES ON SPECIAL BUSINESS**

   (I) **Authority to Issue Shares pursuant to Section 75 of the Companies Act, 2016**

   The Company has not issued any new shares under the general mandate for allotment and issuance of shares up to 10% of the issued share capital of the Company ("General Mandate"), which was approved at the 48th Annual General Meeting ("48th AGM") held on 6 June 2018 and which shall lapse at the conclusion of the 49th AGM.

   The proposed Resolution 8 is a renewal of the General Mandate obtained from the shareholders of the Company at the 48th AGM.

   This resolution, if approved, will give the Directors of the Company the mandate to issue and allot shares in the Company up to an amount not exceeding in total 10% of the total number of issued shares of the Company for the time being, for such purposes as the Directors consider will be in the best interest of the Company without convening a general meeting subsequent to the 49th AGM. This authority, unless revoked or varied by the shareholders of the Company in general meeting will expire at the conclusion of the next Annual General Meeting.

   The General Mandate for issue of shares will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares for the purpose of funding future investment, working capital and/or acquisition.

   (II) **Special Resolution: Proposed Alteration or Amendment of the Constitution of the Company**

   The proposed amendments to the existing Memorandum and Articles of Association (Constitution) of the Company ("Proposed Amendments") are to ensure compliance and to bring the Constitution of the Company in line with the following law and regulations:-

   (a) the Companies Act, 2016 which came into effect on 31 January 2017; and
   (b) the amended MMLR and the prevailing statutory and regulatory requirements.

   In view of the substantial amount of Proposed Amendments to the Constitution, the Board proposed that the existing Constitution be altered or amended by the Company in its entirety by the replacement thereof with a new Constitution which incorporated all the Proposed Amendments (New Constitution) as set out in Appendix A.

   In view of the above, the shareholders' approval is sought for the Company to alter or amend the whole of the existing Constitution by the replacement thereof with the New Constitution as per Appendix A in accordance with Section 36(1) of the Companies Act 2016. The Appendix A on the Proposed New Constitution of the Company, which is circulated together with the Notice of 49th AGM dated 30 April 2019, shall take effect once the proposed Special Resolution has been passed by a majority of not less than seventy-five per centum (75%) of such members who are entitled to vote and do vote in person or by proxy at the 49th AGM.

9. **ABSTENTION FROM VOTING**

   (I) Any Director referred to in Resolutions 2, 3, 4 and 5, who is a shareholder of the Company will abstain from voting on the resolution in respect of his/her re-election at the 49th AGM.

   (II) All the Non-Executive Directors of the Company who are shareholders of the Company will abstain from voting on Resolution 6 concerning remuneration to the Non-Executive Directors at the 49th AGM.