

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Forty Eighth Annual General Meeting ("48th AGM") of Dagang NeXchange Berhad ("DNeX" or the "Company") will be held at the Ballroom 2, Level 1, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Wednesday, 6 June 2018 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 2017 together with the reports of the Directors and Auditors thereon.
2. To re-elect the following Directors who retire by rotation pursuant to Article 94 of the Company's Articles of Association (Constitution) and who being eligible offer themselves for re-election:
 - (a) Datuk Samsul Husin
 - (b) Rosli Abdullah
 - (c) Satria Ahmad
3. To re-elect Datuk Johar Che Mat who retires pursuant to Article 99 of the Company's Articles of Association (Constitution) and who being eligible offers himself for re-election.
4. To approve the following Directors' fees and benefits payable in respect of the financial year ending 31 December 2018:
 - (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.
5. To re-appoint Messrs. Crowe Horwath as auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to determine their remuneration.

Resolution 1
Resolution 2
Resolution 3
Resolution 4

Resolution 5

Resolution 6

AS SPECIAL BUSINESS

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

6. AUTHORITY TO ISSUE SHARES PURSUANT TO SECTION 75 OF THE COMPANIES ACT, 2016

1. "THAT subject always to the Companies Act 2016, the Articles of Association (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) per cent 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."
2. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 and the Company's Articles of Association (Constitution).

Resolution 7

FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining a member who shall be entitled to attend this 48th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Article 55(b) of the Company's Articles of Association (Constitution) and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 31 May 2018. Only a depositor whose name appears on the Record of Depositors as at 31 May 2018 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

BY ORDER OF THE BOARD

Keh Ching Tyng, MAICSA 7050134
Company Secretary

Kuala Lumpur
30 April 2018

NOTES:-

Proxy

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.

Audited Financial Statements for the financial year ended 31 December 2017

7. 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.

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

8. Article 94 of the Company's Articles of Association (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 Articles of Association (Constitution). The shareholders' approval is sought under Resolutions 1, 2 and 3.
9. Article 99 of the Company's Articles of Association (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.
10. Datuk Samsul Husin, Rosli Abdullah and Satria Ahmad are standing for re-election as Directors of the Company. The Nomination and Remuneration Committee ("NRC") and the Board of Directors (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 31, 34 and 37 of the Company's Annual Report for the financial year ended 31 December 2017. The Board, through the NRC had carried out an assessment of the independence of Rosli Abdullah and Satria Ahmad pursuant to the criteria as prescribed by the MMLR and Malaysian Code on Corporate Governance and are satisfied that they meet the criteria for independence. Rosli Abdullah and Satria Ahmad were appointed as Directors on 12 December 2013 and 5 June 2014, respectively and do 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.

Directors' fees and benefits payable to Non-Executive Directors

11. The proposed Resolution 5 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 2018 are based on the existing rates as approved by the shareholders during the 47th Annual General Meeting held on 2 May 2017.
12. 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 5 has been passed at the 48th AGM.

EXPLANATORY NOTES ON SPECIAL BUSINESS

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 47th Annual General Meeting ("47th AGM") held on 2 May 2017 and which shall lapse at the conclusion of the 48th AGM.

The proposed Resolution 7 is a renewal of the General Mandate obtained from the shareholders of the Company at the 47th 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 48th 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.

ABSTENTION FROM VOTING

1. Any Director referred to in Resolutions 1, 2, 3 and 4, who is a shareholder of the Company will abstain from voting on the resolution in respect of his re-election at the 48th AGM.
2. All the Non-Executive Directors of the Company who are shareholders of the Company will abstain from voting on Resolution 5 concerning remuneration to the Non-Executive Directors at the 48th AGM.