

**- COLLABORATION AGREEMENT ENTERED BETWEEN DNeX MENA SDN. BHD., ZHONGHEGUOJI CONSTRUCTION GROUP CO. LTD, SEALNET SDN. BHD. AND AJLAN & BROS INFORMATION SYSTEMS TECHNOLOGY**

**1. INTRODUCTION**

Reference is made to Dagang NeXchange Berhad (“the Company” or “DNeX”)’s announcement dated 24 March 2023 in relation to the joint venture agreement entered between DNeX and Ajlan & Bros Holding Group (“Ajlan & Bros”) to govern the formation, management and operation of a limited liability company (“KSA JVCo”).

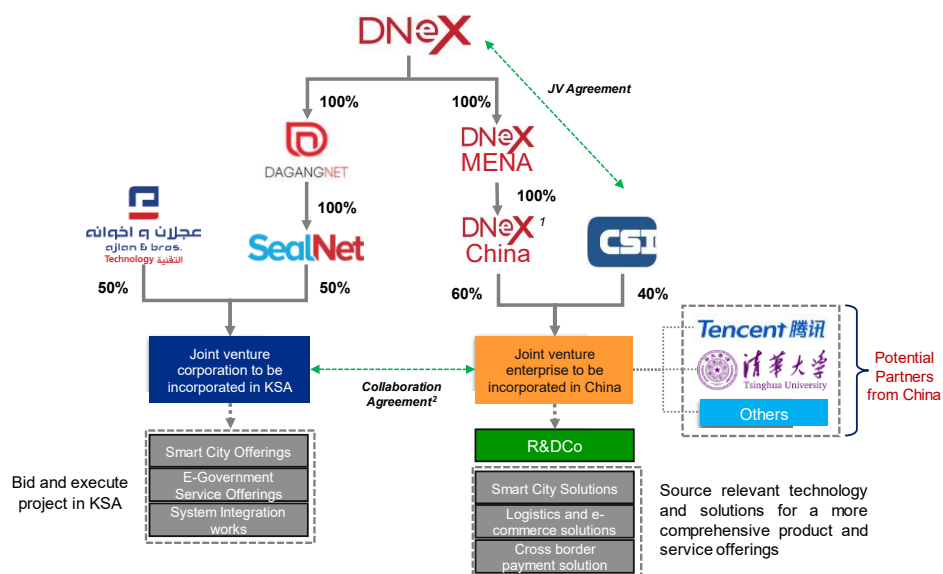
Reference is also made the Company’s announcement dated 23 October 2023 in relation to the joint venture agreement (“JV Agreement”) entered between DNeX and Zhongheguoji Construction Group Co. Ltd. (“CSI”) to establish a joint venture enterprise (“China JVE”) to provide licenses and/or services to Chinese and international customers.

The Board of Directors (“the Board”) of DNeX wishes to announce that the parent companies of the China JVE to be incorporated, namely DNeX MENA Sdn. Bhd. (“DNeX MENA”), the Company’s wholly-owned subsidiary and CSI had on 21 October 2023 entered into a Collaboration Agreement (“the Collaboration Agreement”) with the parent companies of the KSA JVCo to be incorporated, namely SealNet Sdn. Bhd. (“SealNet”), a wholly-owned subsidiary of the Company and Ajlan & Bros Information Systems Technology (“Ajlan Tech”), a business unit under Ajlan & Bros (collectively referred to as “the Parties”).

The Collaboration Agreement is intended for the Parties to enter into discussions and explore avenues of working together to complement each other for making bids and undertaking commercial projects including but not limited to the Kingdom of Saudi Arabia (“KSA”) (“Proposed Project”). The discussion shall include but not limited to:

- (a) Exploring and agreeing on the possible formal collaboration structure between the Parties;
- (b) Defining the scope of the Proposed Project
- (c) Identifying the roles and responsibilities of the Parties;
- (d) Such other matters as the steering committee may deem necessary of fit to be considered.

For illustration purposes, the structure of the collaboration between the Parties is set out as below:



Note:  
 1 Pursuant to the signing of the JV Agreement, DNeX is in the midst of incorporating a wholly foreign-owned enterprise in China (“DNeX China”) to be DNeX’s holding company of the JVE.  
 2 The joint venture company / enterprise are in the midst of the incorporation process, hence the Collaboration Agreement is entered into by the parent companies of the respective joint venture company / enterprise.

**DAGANG NeXCHANGE BERHAD**  
**[REGISTRATION NO. 197001000738 (10039-P)]**

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**2. DETAILS OF CSI**

CSI was incorporated in the People's Republic of China and having its registered address at No. 161, Jingeryu East Road, Wangxinhuang Town, Pinggu District, Beijing, China.

CSI is a Chinese enterprise owned by the whole people of China (ultimately owned by the China Government) and is tasked to capitalise on the resource advantages in China, including IT industry, digital platforms, research institutions, and local China connection to implement urban intelligence, rural modernization, and other IT execution work.

**3. DETAILS OF AJLAN TECH**

Ajlan Tech was incorporated in the Saudi Arabia and having its address at Ajlan & Bros Building, 3 Wadi Summan, Olaya, Riyadh 12211, Saudi Arabia.

Ajlan Tech is established to invest in a diversified portfolio of prospects across Saudi Arabia's key economic growth sectors.

**4. SALIENT TERMS OF THE AGREEMENT**

**4.1. Duration**

The Collaboration Agreement shall commence on the date of the Collaboration Agreement and shall remain in full force and effect for a period of twelve (12) months or until the execution of the definitive agreement, whichever is earlier unless otherwise extended by the Parties in writing.

**4.2. Steering Committee**

A Steering Committee shall be formed by the Parties within fourteen (14) days or any other date mutually agreed by the Parties from the date of execution of this Collaboration Agreement. The purpose of the Steering Committee is to ensure smooth operation of the Proposed Project and compliance with the terms and conditions.

**4.3. Termination**

This Collaboration Agreement may be terminated by:

- (a) Any of the Parties, for convenience by giving a written notice thirty (30) days showing its intention to terminate its obligations under the Collaboration Agreement; or
- (b) The execution of the definitive agreement,

Whichever is earlier.

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**5. RATIONALE FOR THE AGREEMENT**

The Collaboration Agreement will enable DNeX to expand its geographical presence globally and anticipate a wide spectrum of opportunities across various sectors where DNeX will be able to provide products, services and technological expertise with a specific focus on solutions in smart city infrastructure, advancements in e-government services and expansion of digital commerce in Middle East, North Africa and Greater China region.

**6. FINANCIAL EFFECTS OF THE AGREEMENT**

6.1. Share Capital

The Collaboration Agreement will not have any effect on the issued and paid-up share capital of the Company.

6.2. Substantial shareholders' shareholdings

The Collaboration Agreement will not have any effect on the substantial shareholders' shareholdings of the Company.

6.3. Net assets per share and gearing

The Collaboration Agreement will not have any material effect on the net assets per share and gearing of the Company for the financial period ending 31 December 2023.

6.4. Earnings per share

The Collaboration Agreement is not expected to have any material effect on the earnings per share of the Company for the financial period ending 31 December 2023.

**7. RISK FACTORS**

DNeX does not foresee any exceptional risk other than the normal operational risks associated with the Proposed Project. DNeX will take the necessary steps to mitigate the risks as and when it occurs.

**8. STATEMENT BY DIRECTORS**

The Board of DNeX, having reviewed and considered the terms and conditions of the Collaboration Agreement, is of the opinion that the Collaboration Agreement is in the best interest of the Company and the terms and conditions of the Collaboration Agreement are fair, reasonable and on terms that are not detrimental to the interest of the minority shareholders of the Company.

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**9. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED INTERESTS**

None of the Directors of the Company or persons connected to them has any interest, direct or indirect, in the Collaboration Agreement.

The Board is not aware of any other major shareholders or persons connected to them having interest, direct or indirect, in the Collaboration Agreement.

**10. APPROVAL REQUIRED**

The Collaboration Agreement is not subject to the approval of shareholders and any other relevant authorities and is not conditional upon any other corporate exercise undertaken by the Company.

**11. DOCUMENTS AVAILABLE FOR INSPECTION**

The Collaboration Agreement is available for inspection at the registered office of the Company at E-10-4, Megan Avenue 1, 189, Jalan Tun Razak, 50400 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia, during normal business hours on Mondays to Fridays (except public holidays) for a period of three (3) months from the date of this announcement.

This announcement is dated 23 October 2023.