

TECHNODEX BHD. ("TDEX" OR "THE COMPANY")

SHAREHOLDERS' AGREEMENT BETWEEN TECHNODEX SOLUTIONS SDN. BHD., A WHOLLY-OWNED SUBSIDIARY OF TDEX, AND ACCUBITS TECHNOLOGIES PRIVATE LIMITED

1. INTRODUCTION

The Board of Directors of TDEX ("Board") wishes to announce that Technodex Solutions Sdn. Bhd. ("TSSB") had on 1 June 2021 entered into a Shareholders' Agreement ("Shareholders' Agreement") with Accubits Technologies Private Limited ("Accubits") for the purpose of regulating the conditions for and of a joint venture company to be formed ("JV Company") ("Proposed Joint Venture").

TSSB and Accubits are collectively referred to as "Parties" and individually referred to as "Party".

2. INFORMATION ON TSSB

TSSB is a private limited company incorporated in Malaysia on 28 February 2001. TSSB is a wholly-owned subsidiary of TDEX.

TSSB's principal activities are providing information technology products and related services; and to carrying out relevant research and development activities on information Technology.

The directors of TSSB are Heng Ling Jy, Tan Boon Wooi, Datuk Abd Hamid Bin Abu Bakar, Saifulrizam Bin Zainal and Peh Yueh Han.

3. INFORMATION ON ACCUBITS

Accubits is a private limited company incorporated in India on 8 February 2016 with its registered office at 5th floor, Yamuna building, Technopark Phase III, Kazhakootam, Trivandrum, India.

Accubits's principal activities are engage in the business of developing products and providing services in the field of information technology and technology enabled applications in different fields both in India and overseas.

The directors of Accubits are Jithin VG, Ditto PS and Vinson Palathingal.

4. SALIENT TERMS OF THE SHAREHOLDERS' AGREEMENT

4.1 Issued Share Capital of the JV Company

The proportion of shareholdings in the JV Company of the Parties shall be as follows:

Shareholders	No. of Ordinary Shares	Issued Share Capital RM	Shareholdings %
TSSB	102	102	51.0
Accubits	98	98	49.0
Total	200	200	100.0

4.2 Composition of the Board of Directors (“Board”) of the JV Company

Unless otherwise agreed by the Parties, the JV Company shall have four (4) Directors, where each Party is entitled to nominate/appoint two (2) Directors at all times provided that the Parties shall maintain its respective shareholdings in the JV Company.

The Chairman of the Board of the JV Company shall be a Director nominated/appointed by TSSB.

4.3 Business of the JV Company

The primary objective of the Proposed Joint Venture is to collaborate with each Party in carrying out the business of consultation, building and selling of products, solutions, and services related to Fintech, Artificial Intelligence (“AI”), Blockchain, Internet of Things (IOT), Big Data Intelligence and Mobile & Web Application development upon the terms and conditions set out in the Shareholders’ Agreement.

4.4 Working Capital and Funding for the JV Company

The Parties agreed that if working capital is required for JV Company, any such working capital shortfall shall be contributed by the Parties in proportion to their respective shareholdings by way of advances or loans to JV Company.

5. SOURCE OF FUNDS

TSSB will fund its investment in the JV Company through its internally generated funds.

6. RATIONALE

The Proposed Joint Venture is in line with TDEX and its subsidiaries’ (“Group”) strategic plan to venture into AI, Blockchain and Big Data Intelligence solutions and services. The Proposed Joint Venture is expected to benefit the Group.

7. RISK FACTORS

The Proposed Joint Venture is subject to the terms and conditions of the Shareholders’ Agreement. There is no assurance that the Proposed Joint Venture will not be exposed to risks such as termination of the Shareholders’ Agreement and the economic risk, operational risk and inherent business risk factors associated with software and technology industry.

8. FINANCIAL EFFECTS

The Proposed Joint Venture has no material effect on the issued share capital and substantial shareholders’ shareholdings of the Company.

The Proposed Joint Venture is also not expected to have any material effect on the earnings per share, gearing and net assets of the Company for the financial year ending 30 June 2021.

9. ESTIMATED TIMEFRAME FOR COMPLEXION OF THE PROPOSED JOINT VENTURE

The Proposed Joint Venture is expected to be completed by third quarter of year 2021. Upon completion of the Proposed Joint Venture, the JV Company will become a subsidiary company of TDEX.

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

None of the directors, major shareholders and/or persons connected to them has any interest, whether direct or indirect, in the Proposed Joint Venture.

11. APPROVALS REQUIRED FOR THE PROPOSED JOINT VENTURE

The Proposed Joint Venture does not require the approval from the shareholders of the Company or any relevant authorities.

12. DIRECTORS' STATEMENT

The Board, after having considered all aspects of the Proposed Joint Venture, including but not limited to the rationale, salient terms of the Shareholders' Agreement, risk factors, and the financial effects of the Proposed Joint Venture, is of the opinion that the Proposed Joint Venture is in the best interest of the Company.

13. DOCUMENT AVAILABLE FOR INSPECTION

The Shareholders' Agreement will be made available for inspection at the registered office of the Company at Third Floor, No. 77, 79 & 81, Jalan SS 21/60, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan, during normal business hours (except public holidays) for a period of three (3) months from the date of this announcement.

This announcement is dated 2 June 2021.