

**MICROLINK SOLUTIONS BERHAD (“MSB” OR “COMPANY”)
JOINT VENTURE AND SHAREHOLDERS’ AGREEMENT BETWEEN MSB AND
DANAPURI SDN BHD (“DANAPURI”)**

1. INTRODUCTION

The Board of Directors (“**the Board**”) of MSB is pleased to announce that MSB has on 8 June 2021 entered into a Joint Venture and Shareholders’ Agreement (“**JVSA**”) with DANAPURI (collectively referred to as the “**Parties**”) for the purpose of regulating the conditions for and operations of a company, namely Microlink Technologies Sdn Bhd (“**MTSB**”).

The purpose of the JVSA is to formalise a collaboration between the Parties and to draw upon the skills, expertise, experience and capabilities of each other for the benefit of MTSB, to collectively pursue digital transformation projects in selected target territories including the People’s Republic of Bangladesh and the West Africa region, including but not limited to the Republic of Guinea, and other countries as may be mutually agreed (“**Territories**”).

2. INFORMATION ON DANAPURI

DANAPURI is a private limited company incorporated on 23 September 2016 under the Companies Act 1965 with its principal place of business at B2-3-13A, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur. The principal activities of DANAPURI include ICT consultation and has particular expertise in the areas of project investment and management, e-government, trusted identity, e-commerce, e-payment and e-financial services.

3. INFORMATION ON MTSB

MTSB was incorporated on 21 April 2021 as a private limited company under the Companies Act 2016. MTSB is currently dormant and its intended principal activities are the development of application software, system integration services and the provision of hardware and software maintenance services.

The current issued and paid-up share capital of MTSB is RM1.00 comprising one (1) ordinary share, wholly-owned by MSB.

4. DETAILS OF THE JVSA

The issued and paid-up share capital of MTSB shall be increased from RM1.00 comprising 1 ordinary share to RM50,000.00 comprising 50,000 ordinary shares by the allotment of 49,999 ordinary shares at an issue price of RM1.00 per share to the Parties as follows:-

Parties	No. of shares	(%)	Total Subscription Price (RM)
MSB	25,499	51.00	25,499.00
DANAPURI	24,500	49.00	24,500.00
Total	49,999	100.00	49,999.00

Upon completion of the allotment, MSB will hold a total of 25,500 ordinary shares representing 51% of the total number of issued shares in MTSB.

4.1 Business of MTSB

The business of MTSB is to pursue digital transformation projects in the Territories.

4.2 Salient Terms of the JVSA

- (i) MTSB shall be managed by a Board of Directors that consists of five (5) Directors, two (2) of whom shall be appointed by MSB and two (2) to be appointed by DANAPURI. The Chairman of the Board is to be an independent Director agreed between the Parties, who shall hold such office for so long as he remains a Director.
- (ii) The Parties agree that the Board of Directors will decide on the persons who shall be responsible for the day-to-day management of MTSB which includes business planning and management, operational management and human resource management. The role of the Chief Executive Officer of MTSB will be manned by DANAPURI's appointee.

4.3 Funding

MSB will fund the subscription price of RM25,499.00 through internally generated funds.

5. RATIONALE FOR THE JVSA

The JVSA is consistent with MSB's objective of seeking various strategic alliances and joint ventures for synergistic benefits and the JVSA is expected to pave the way for future collaborations between the MSB Group and DANAPURI. This is also in line with MSB Group's intention to expand its product sales and market reach overseas via its partners.

6. EFFECTS OF THE JVSA

The JVSA has no effect on the share capital and substantial shareholders' shareholdings of MSB. The JVSA is not expected to have a material effect on the earnings per share, net assets per share and gearing of the MSB Group for the financial year ending 31 March 2022.

Barring any unforeseen circumstances, the JVSA is expected to contribute positively to the MSB Group's consolidated earnings and earnings per share in the future, when MTSB records profit after tax.

7. PROSPECTS AND RISK FACTORS

The JVSA is intended to enable the Parties to combine their skills, expertise, experience and capabilities to collectively secure the award of contracts from customers in the Territories and to deliver and execute the contracts, and any other work or services in connection therewith as may be required by the customers from time to time. Barring any unforeseen circumstances, the JVSA is expected to benefit the MSB Group.

The Company does not foresee any exceptional risks other than operational risks associated with the JVSA which are similar to the operational risks that MSB is already accustomed to. Hence, the Board believes that the experience and expertise of its management team will enable the MSB Group to mitigate these risks effectively.

8. APPROVALS REQUIRED

The JVSA does not require the approval of MSB's shareholders or any regulatory authorities. The JVSA is also not conditional upon any corporate proposal/exercise of MSB.

9. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED WITH THEM

None of the Directors, major shareholders of MSB and/or persons connected with them has any interest, whether direct and/or indirect, in the JVSA.

10. DIRECTORS' STATEMENT

After having considered all aspects of the JVSA, the Board is of the opinion that the JVSA is in the best interest of the MSB Group.

11. EXPECTED TIME FRAME FOR COMPLETION

Barring any unforeseen circumstances, the JVSA is expected to be completed in the second quarter of calendar year 2021.

Upon completion of the JVSA, MTSB will become a 51% owned subsidiary of MSB.

12. PERCENTAGE RATIO

Based on the audited financial statements of MSB for the financial year ended 31 March 2020, the highest percentage ratio applicable to the JVSA pursuant to rule 10.02 (g)(vii) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad is approximately 0.06%.

This announcement is dated 8 June 2021.