

Notice of 11th Annual General Meeting

DIVERSIFIED GATEWAY SOLUTIONS BERHAD
(Company No. 675362-P)
(Incorporated in Malaysia)



NOTICE IS HEREBY GIVEN THAT the 11th Annual General Meeting of the Company will be held at Banquet Hall, The Royal Selangor Golf Club, Jalan Kelab Golf, Off Jalan Tun Razak, 55000 Kuala Lumpur, on Tuesday, 6 September 2016 at 10.00am for the following purposes:

AGENDA

AS ORDINARY BUSINESS:

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| 1. | To receive the Audited Financial Statements for the financial year ended 31 March 2016 together with the Reports of the Directors and Auditors thereon. | (PLEASE REFER TO EXPLANATORY NOTE (i)) |
| 2. | To approve payment of Directors' fees amounting to RM408,000 for the financial year ended 31 March 2016. | RESOLUTION 1 |
| 3. | To re-elect the following Directors retiring pursuant to Article 111 of the Company's Articles of Association and being eligible, offered themselves for re-election:
(a) Hoe Kah Soon
(b) Dato' Mah Siew Kwok | RESOLUTION 2
RESOLUTION 3 |
| 4. | To re-appoint Messrs BDO as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. | RESOLUTION 4 |

AS SPECIAL BUSINESS:

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| 5. | To consider, and if thought fit, to pass the following resolution as an Ordinary Resolution:

AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965 | RESOLUTION 5 |
| | <p>"THAT subject always to the Companies Act, 1965 and the approvals of the relevant authorities, the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965 to allot and issue shares in the Company at any 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 in any one financial year does not exceed 10% of the issued capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."</p> | |
| 6. | To consider, and if thought fit, to pass the following resolution as an Ordinary Resolution:

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE AND NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE | RESOLUTION 6 |

"THAT the Company and/or its subsidiaries be and is/are hereby authorised to enter into recurrent related party transactions from time to time with Related Parties who may be a Director, a major shareholder of the Company and/or its subsidiaries or a person connected with such a Director or major shareholder, as specified in section 2.3 of the Statement/Circular to Shareholders dated 29 July 2016 subject to the following:-

- (i) the transactions are of a revenue or trading nature which are necessary for the day-to-day operations of the Company and/or its subsidiaries and are transacted on terms consistent or comparable with market or normal trade practices and/or based on normal commercial terms and on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders; and
- (ii) disclosure is made in the annual report of the aggregate value of transactions conducted during the financial year pursuant to the shareholders' mandate in accordance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad;

THAT the mandate given by the shareholders of the Company shall only continue to be in force until the conclusion of the next Annual General Meeting of the Company or the expiry of the period within which the next Annual General Meeting is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (the Act) (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); unless revoked or varied by Ordinary Resolution of the shareholders of the Company in general meeting, whichever is the earlier;

AND THAT the Directors of the Company be authorised to complete and carry out such acts and actions as they may consider expedient or necessary to give effect to the shareholders' mandate."

7. To consider, and if thought fit, to pass the following resolution as an Ordinary Resolution:

PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES

RESOLUTION 7

"THAT, subject to the provisions of the Companies Act, 1965 (Act), Part IIIA of the Companies Regulations 1966, the Articles of Association of the Company, Chapter 12 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities) and any prevailing laws, orders, requirements, rules and regulations, guidelines issued by the relevant authorities at the time of purchase, the Company be and is hereby authorised to allocate an amount not exceeding the total audited retained profits and/or share premium account of the Company for the purpose of purchasing such amount of ordinary shares of RM0.10 each (DGSB Shares) in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors of the Company may deem fit in the interest of the Company provided that the aggregate number of shares purchased pursuant to this resolution does not exceed ten percent (10%) of the total issued and paid-up share capital of the Company at the time of purchase (Proposed Renewal of Share Buy-Back Authority);

AND THAT the Directors of the Company be and are hereby authorised to decide in their absolute discretion to deal with any DGSB Shares purchased by the Company pursuant to the Proposed Renewal of Share Buy-Back Authority, whereby the DGSB Shares purchased may be dealt with in the following manner:-

- (i) cancelled; or
- (ii) retained as treasury shares for distribution as dividend and/or resold on Bursa Securities and/or cancelled subsequently; or
- (iii) partly retained and partly cancelled; or
- (iv) such other manner as may be permitted by the Act; or

in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of the Bursa Securities and any other relevant authority for the time being in force;

NOTICE OF 11TH ANNUAL GENERAL MEETING (CONT'D)

AND FURTHER THAT the Directors of the Company be and are hereby authorised to carry out the Proposed Renewal of Share Buy-Back Authority immediately upon the passing of this resolution, which shall continue to be in force until:

- (i) the conclusion of the next Annual General Meeting (AGM) of DGSB at which the ordinary resolution for the Proposed Renewal of Share Buy-Back Authority is passed, at which time it shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM after that date is required by law to be held; or
- (iii) the authority is revoked or varied by ordinary resolution passed by the shareholders of DGSB in a general meeting,

whichever occurs first but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and to take all steps as are necessary and/or to carry out all such acts and actions as the Directors of the Company deem fit and expedient in the best interests of the Company and to give full effect to the Proposed Renewal of Share Buy-Back Authority with full powers to assent to any conditions, modifications, amendments and/or variations as may be imposed by the relevant authorities."

8. To consider, and if thought fit, to pass the following resolution as Special Resolution:

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

RESOLUTION 8

"THAT the proposed amendments to the Articles of Association of the Company ("Proposed Amendments") as set out in the Appendix attached hereto be and are hereby approved and adopted;

AND THAT the Directors and the Secretary of the Company be and are hereby authorised to carry out the necessary formalities in effecting the Proposed Amendments."

9. To transact any other business of which due notice shall have been given.

By Order of the Board

LIM SHOOK NYEE [MAICSA No. 7007640]

Company Secretary
Kuala Lumpur
29 July 2016

NOTICE OF 11TH ANNUAL GENERAL MEETING (CONT'D)

NOTES:

- i) A member entitled to attend and vote at the meeting may appoint another person as his proxy to attend and vote in his stead. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation and the provisions of Section 149(1)(a) and (b) of the Companies Act, 1965 shall not apply to the Company.
- ii) A member shall be entitled to appoint up to two (2) proxies to attend and vote at the same meeting and where a member appoints two (2) proxies, the appointment shall be invalid unless the member specifies the proportions of his holdings to be represented by each proxy.
- iii) Where a member of the Company is an exempt authorised nominee 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 exempt authorised nominee may appoint in respect of each Omnibus Account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 (SICDA) which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
- iv) The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or if the appointer is a corporation, either under its common seal or under the hand of the attorney.
- v) The instrument appointing a proxy and the power of attorney (if any) under which it is signed or a notarially certified copy thereof shall be deposited at the Registered Office of the Company at 16th Floor, KH Tower, 8 Lorong P. Ramlee, 50250 Kuala Lumpur not less than forty-eight (48) hours before the time for holding of the meeting or adjourned meeting.
- vi) Only members whose names appears in the Record of Depositors on 30 August 2016 shall be entitled to attend, speak and vote at this meeting or appoint proxy/proxies to attend and/or vote on his/her behalf.
- vii) The resolutions set out in the Notice of 11th Annual General Meeting will be put to vote by poll.

EXPLANATORY NOTES:

- i) **Audited Financial Statements for the Financial Year Ended 31 March 2016**
The audited financial statements are for discussion only under Agenda 1 as they do not require shareholders' approval under the provisions of Section 169(1) and (3) of the Companies Act, 1965. Hence, they will not be put for voting.
- ii) **Resolution pursuant to Section 132D of the Companies Act, 1965**
For Resolution 5, further information in relation to the general mandate for issue of securities is set out in the Statement Accompanying Notice of 11th AGM.
- iii) **Resolution pertaining to the Proposed Renewal of Shareholders' Mandate and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**
For Resolution 6, further information on the Recurrent Related Party Transactions is set out in Part B of the Statement/Circular to Shareholders dated 29 July 2016 which is dispatched together with the Company's Annual Report 2016.
- iv) **Resolution pertaining to the Proposed Renewal of Authority for the Company to Purchase its Own Shares**
For Resolution 7, further information on the Proposed Renewal of Share Buy-Back Authority is set out in Part A of the Statement/Circular to Shareholders dated 29 July 2016 which is dispatched together with the Company's Annual Report 2016.
- v) **Proposed Amendments**
The proposed Resolution 8, if passed, will bring the Articles of Association of the Company in line with the amendments to the ACE Market Listing Requirements of Bursa Securities. Details of the Proposed Amendments are set out in the Appendix attached hereto.

APPENDIX

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY:

Existing Articles

Proposed Amended Articles

Article 77 – How poll to be taken

If a poll is duly demanded, it shall be taken at such manner and at such time and place as the Chairman of the meeting may direct and either at once, or after an interval or adjournment, or otherwise, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand of a poll may be withdrawn. In case of any dispute as to the admission or rejection of a vote, the Chairman shall determine the same, and such determination made in good faith shall be final and conclusive.

Article 77 – How poll to be taken

If a poll is duly demanded, it shall be taken at such manner and at such time and place as the Chairman of the meeting may direct and either at once, or after an interval or adjournment, or otherwise, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand of a poll may be withdrawn. In case of any dispute as to the admission or rejection of a vote, the Chairman shall determine the same, and such determination made in good faith shall be final and conclusive.

The poll may be conducted manually using voting slips or electronically using various forms of electronic voting devices. Such votes shall be counted by the poll administrator, and verified by the scrutineers, as may be appointed by the Company for the purpose of determining the outcome of the resolution(s) to be decided on poll.

Article 153 – Service of Audited Financial Statements to members

The interval between the close of a financial year of the Company and the issue of accounts relating to it shall not exceed four (4) months. The Company must issue to its shareholders an annual report relating to it within six (6) months after the expiry of its financial year end in printed form or in CD-ROM or in such other form of electronic media, not less than twenty one (21) days before the date of the meeting (or such shorter period as may be agreed in any year of the receipt of notice of the meeting pursuant to Article 158) and be sent to every Member of, and to every holder of debentures of the Company and all other persons who are entitled to receive notice of any general meeting of the Company under the provisions of the Act or of these Articles. The requisite number of copies of each such document as may be required by Bursa Securities shall at the same time be likewise sent to Bursa Securities provided that this Article shall not require a copy of these documents to be sent to any person whose address the Company is not aware of but any Member to whom a copy of these documents has not been sent shall be entitled to receive a copy, free of charge on application to the Company at the Office. In the event that the annual report is sent in CD-ROM form or such form of electronic media and a Member requires a printed form of such documents, the Company shall send such documents to the Member within four (4) market days from the date of receipt of the Members' request.

Article 153 – Service of Audited Financial Statements to members

A copy of the annual report in printed form or in CD-ROM form or in such other form of electronic media (including other documents required by law to be annexed thereto) **shall together with the notice of the annual general meeting** be sent to all persons entitled to receive notice of **such meeting as required by the Act.**

The requisite number of copies of each such document as may be required by **Bursa Securities and/or other stock exchange, if any, upon which the Company's shares may be listed** shall at the same time be likewise sent to **Bursa Securities and/or such other stock exchange.**

Provided that this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware or to more than one (1) of joint holders but any Member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Company's registered office.

In the event that the annual report is sent in CD-ROM form or such electronic media and a member requires a printed form of such documents, the Company shall send such documents to the Member within four (4) market days from the date of receipt of the Member's request.