

TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS) : NON RELATED PARTY TRANSACTIONS DIVERSIFIED GATEWAY SOLUTIONS BERHAD ("DGSB" OR "COMPANY") PROPOSED DISPOSAL OF 24,500 ORDINARY SHARES IN ISS CONSULTING (THAILAND) LTD ("PROPOSED DISPOSAL")

DIVERSIFIED GATEWAY SOLUTIONS BERHAD

Type	Announcement
Subject	TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS) NON RELATED PARTY TRANSACTIONS
Description	DIVERSIFIED GATEWAY SOLUTIONS BERHAD ("DGSB" OR "COMPANY") PROPOSED DISPOSAL OF 24,500 ORDINARY SHARES IN ISS CONSULTING (THAILAND) LTD ("PROPOSED DISPOSAL")

Unless otherwise redefined, the definitions used in this announcement shall be the same as those defined in the earlier announcement(s) in relation to the Proposed Disposal.

On behalf of the Board, M&A Securities wishes to announce that Bursa Securities had on 3 September 2019 informed that, based on the information disclosed in the draft circular of the Company (which was submitted to Bursa Securities on 7 August 2019), as well as the Listing Requirements, in particular the following:

1. That ISS Thailand contributed approximately 82.9% to DGSB's revenue on a consolidated basis for the FYE 31 March 2018;
2. The definition of "Major Disposal" as disclosed in Rule 10.02(eA) of the Listing Requirements; and
3. Rule 8.03A(2)(a)(i) & 8.03A(7)(a) of the Listing Requirements;

the Proposed Disposal is a Major Disposal as defined in the Listing Requirements.

Premised on the above, DGSB wishes to announce the following additional information in compliance with Rule 10.11A(1)(c) of the Listing Requirements:

1. The Board has appointed UHY Advisory (KL) Sdn Bhd as the Independent Adviser to undertake the following in relation to the Proposed Disposal:

(i) comment as to whether the terms of the Proposed Disposal are fair, reasonable and detrimental insofar as the shareholders of DGSB are concerned, setting out the reasons for, the key assumptions made, and the factors taken into consideration in forming the said opinion;

(ii) advise the shareholders of DGSB on whether they should vote in favour of the Proposals; and

(iii) take all reasonable steps to satisfy itself that it has a reasonable basis to make the comments and advice in paragraphs (i) and (ii) above.

2. The Proposed Disposal is subject to the Company obtaining in a general meeting the approval of at least 75% of the total number of issued shares held by the shareholders present and voting either in person or by proxy for the Proposed Disposal.

3. The Board does not intend to seek alternative bids for ISS Thailand.

4. The Board is satisfied that itelligence has sufficient financial resources to finance the acquisition of ISS Thailand, based on itelligence being a wholly-owned subsidiary of NTT Data Corporation, a public company listed on the Tokyo Stock Exchange.

Additionally, the Board wishes to highlight that, with respect to the expected timeframe of completion for the Proposed Disposal, the parties to the SSA had initially envisaged a completion by the third quarter of 2019 i.e. in early September 2019. However, in light of the foregoing, the expected completion date of the Proposed Disposal may be delayed, and such deferment is subject to the mutual agreement of all parties to the SSA. Nonetheless, the SSA provides that the conditions precedent of the SSA is to be fulfilled within 4 months from the date of the SSA.

Other details of the Proposed Disposal remain unchanged.

This announcement is dated 4 September 2019.

Announcement Info

Company Name	DIVERSIFIED GATEWAY SOLUTIONS BERHAD
Stock Name	DGSB
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