



**DIVERSIFIED GATEWAY SOLUTIONS BERHAD**  
(Registration No. 200401036851 (675362-P))

## **NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the Fifteenth Annual General Meeting of the Company will be conducted on a fully virtual basis through live streaming and online remote voting from the broadcast venue at Redwood Meeting Room, Ho Hup Tower – Aurora Place, 2-09-01 – Level 9, Plaza Bukit Jalil, No. 1, Persiaran Jalil 1, Bandar Bukit Jalil, 57000 Kuala Lumpur (“Broadcast Venue”) on **Thursday, 3 December 2020** at **11.00 a.m.** for the following purposes:-

### **AGENDA**

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|--|--|
| 1. To receive the Audited Financial Statements for the financial year ended 30 June 2020 together with the Reports of the Directors and Auditors thereon.    | <b>Please see<br/>Explanatory Note 1</b> |
| 2. To approve the payment of Directors’ fees of RM390,000 for the financial year ended 30 June 2020.   | <b>Ordinary Resolution 1</b>             |
| 3. To approve the payment of Directors’ benefits of up to RM62,500 for the period from 4 December 2020 until the next Annual General Meeting of the Company. | <b>Ordinary Resolution 2</b>             |
| 4. To re-elect the following Directors retiring pursuant to Clause 95 of the Company’s Constitution:-  |  |
| 4.1 Mr. Chow Seck Kai  | <b>Ordinary Resolution 3</b>             |
| 4.2 Dr. Tang Pen San   | <b>Ordinary Resolution 4</b>             |
| 5. To re-elect Mr. Rajendran A/L Velayuthan retiring pursuant to Clause 102 of the Company’s Constitution.   | <b>Ordinary Resolution 5</b>             |
| 6. To re-appoint Grant Thornton Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.                            | <b>Ordinary Resolution 6</b>             |

### **SPECIAL BUSINESS**

To consider and if thought fit, to pass the following resolutions with or without modifications:

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| 7. <b>PROPOSED AMENDMENT TO THE COMPANY’S CONSTITUTION (“PROPOSED AMENDMENT”)</b> | <b>Special Resolution</b> |
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“**THAT** the Proposed Amendment to Clause 64 of the Company’s Constitution as set out below, be and is hereby approved:-

#### **Existing Clause**

Subject to the Listing Requirements, the Act, the Central Depositories Act and/or the Rules and notwithstanding the existence of a resolution pursuant to Sections 75 and 76 of the Act, the Company shall not issue any shares or convertible securities if the total number of those shares or convertible securities, when aggregated with the total number of any such shares or convertible securities issued during the preceding 12 months, exceeds 10% of the total number of issued shares (excluding treasury shares) of the Company, except where the shares or convertible securities are issued with the prior approval of the Members in

#### **Proposed Clause**

Subject to the Listing Requirements, the Act, the Central Depositories Act and/or the Rules and notwithstanding the existence of a resolution pursuant to Sections 75 and 76 of the Act, the Company shall not issue any shares or convertible securities if the total number of those shares or convertible securities, when aggregated with the total number of any such shares or convertible securities issued during the preceding 12 months, exceeds 10% (or such other percentage as may be permitted by the Exchange or any other regulatory authorities from time to time) of the total number of issued shares (excluding treasury shares) of

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general meeting of the precise terms and conditions of the issue. In working out the number of shares or convertible securities that may be issued by the Company, if the security is a convertible security, each such security is counted as the maximum number of shares into which it can be converted or exercised.

the Company, except where the shares or convertible securities are issued with the prior approval of the Members in general meeting of the precise terms and conditions of the issue.

**AND THAT** the Directors of the Company be and are hereby authorised to take all such necessary steps to give full effect to the Proposed Amendment with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted by any relevant authorities or deemed necessary by the Board, and to take all steps and to do all such acts and matters as they may consider necessary or expedient to implement, finalise and give full effect to the Proposed Amendment.”

8. **AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016**

**Ordinary Resolution 7**

“**THAT** subject to the passing of the Special Resolution above and subject to the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”), Additional Temporary Relief Measures to Listed Corporations for COVID-19 pandemic issued by Bursa Securities on 16 April 2020 and the approval of the relevant authorities, where required, the Directors of the Company be and are hereby empowered, pursuant to Sections 75 and 76 of the Companies Act, 2016, to issue and allot shares in the Company from time to time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 20% of the total number of issued shares (excluding treasury shares) of the Company for the time being and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company and that the Directors be and are hereby empowered to obtain approval from Bursa Securities for the listing of and quotation for the additional shares so issued.”

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

**Ordinary Resolution 8**

“**THAT**, subject to the Companies Act, 2016 (“the Act”), rules, regulations and orders made pursuant to the Act, the Company’s Constitution, ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and any other relevant authorities, the Company be and is hereby authorised to purchase such number of ordinary 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 may deem fit and expedient in the interest of the Company provided that:-

- (i) the aggregate number of ordinary shares which may be purchased and held by the Company pursuant to this resolution shall not exceed 10% of the total number of issued shares of the Company at the time of purchase;
- (ii) the maximum funds to be allocated by the Company for the purpose of purchasing the ordinary shares shall not exceed the total retained profits of the Company;

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- (iii) the authority conferred by this resolution will commence immediately upon the passing of this resolution and will expire at the conclusion of the next Annual General Meeting of the Company following the passing of this resolution (unless earlier revoked or varied by ordinary resolution of the shareholders of the Company in a general meeting) but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the Act, the rules and regulations made pursuant thereto and the guidelines issued by Bursa Securities and any other relevant authorities; and
- (iv) upon completion of the purchase(s) of the ordinary shares by the Company, the Directors of the Company be and are hereby authorised to cancel all the shares so purchased or retain all the shares as treasury shares (of which may be dealt with in accordance with Section 127(7) of the Act) or retain part thereof as treasury shares and cancelling the balance, and in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of Bursa Securities and any other relevant authorities for the time being in force.

**AND THAT** the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement, finalise and give full effect to the purchase(s) of the ordinary shares in the Company with full powers to assent to any conditions, modifications, variations and/or amendments as may be required or imposed by the relevant authorities and to do all such acts and things (including executing all documents) as the Directors may deem fit and expedient in the best interest of the Company.”

### **10. PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (“PROPOSED SHAREHOLDERS' MANDATE”)**

**Ordinary Resolution 9**

“**THAT**, subject to the provisions of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/ or its subsidiary companies to enter into Recurrent Related Party Transactions of a revenue or trading nature (“Recurrent Related Party Transactions”) as set out in Section 2.3, Part B of the Statement/Circular to Shareholders dated 30 October 2020, subject to the following:-

- (a) the Recurrent Related Party Transactions are undertaken in the ordinary course of business which are necessary for the day-to-day operations; on arm's length basis, on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company;
- (b) disclosure is made in the annual report of the breakdown of the aggregate value of the Recurrent Related Party Transactions conducted during the financial year.

**THAT** such approval shall continue to be in force until:-

- (i) the conclusion of the next Annual General Meeting (“AGM”) of the Company following this AGM at which the Proposed Shareholders' Mandate is passed, at which time it will lapse unless the authority is renewed by a resolution passed at the next AGM;
- (ii) the expiration of the period within which the next AGM is required to be held pursuant to Section 340(2) of the Companies Act, 2016 (“the Act”) (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

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- (iii) it is revoked or varied by resolution passed by shareholders of the Company in a general meeting,

whichever is the earlier.

**AND THAT** the Directors of the Company be and are hereby authorized to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Shareholders' Mandate."

11. To transact any other business of the Company of which due notice shall have been given in accordance with the Company's Constitution and the Companies Act, 2016.

By Order of the Board

Lau Fong Siew  
MAICSA 7045893  
SSM Practising Certificate No. 202008002625  
Chartered Secretary

Lau Choi King  
MAICSA 7059575  
SSM Practising Certificate No. 202008002718  
Chartered Secretary

Kuala Lumpur  
30 October 2020

## Explanatory Notes

### 1. Audited Financial Statements

*This agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act, 2016 ("the Act") does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this agenda item is not put forward for voting.*

### 2. Ordinary Resolution 1 – Directors' Fees

*The proposed Ordinary Resolution 1, if passed, will authorise the payment of Directors' fees in respect of the financial year ended 30 June 2020 amounting to RM390,000 (2019 : RM329,000).*

### 3. Ordinary Resolution 2 – Directors' Benefits

*The benefits payable to the Non-Executive Directors comprise of meeting allowance for attending the Board, Board Committees and general meetings for the period from 4 December 2020 until the next Annual General Meeting ("AGM") in 2021. The meeting allowance is estimated based on the number of scheduled and unscheduled meetings and the numbers of Non-Executive Directors involved in these meetings.*

### 4. Special Resolution – Proposed Amendment to the Company's Constitution ("Proposed Amendment")

*The Proposed Amendment is in line with Bursa Malaysia Securities Berhad's ("Bursa Securities") letter dated 16 April 2020 to allow listed corporations to seek a higher mandate under Rule 6.04 of the Listing Requirements of not more than 20% of the total number of issued shares (excluding treasury shares) for issue of new securities ("20% General Mandate").*

*The Proposed Amendment shall take effect once the Special Resolution has been passed by a majority of not less than 75% of such members who are entitled to vote and do vote remotely in person or by proxy at the 15th AGM.*

### 5. Ordinary Resolution 7 – Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Act

*The Company had at its 14th AGM held on 21 November 2019 obtained a general mandate pursuant to Sections 75 and 76 of the Act from its shareholders empowering the Directors to issue and allot shares up to an amount not exceeding 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company ("10% General Mandate"). As at the date of this Notice, the Company did not issue any shares pursuant to the 10% General Mandate which will expire at the conclusion of the 15th AGM.*

*In view of the challenging time amid the COVID-19 global pandemic, Bursa Securities had introduced the 20% General Mandate as a temporary relief measure to allow listed corporations to seek a higher general mandate of not more than 20% of the total number of issued shares (excluding treasury shares) for issue of new securities.*

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The proposed Ordinary Resolution 7 is to seek a general mandate to empower the Directors of the Company pursuant to Sections 75 and 76 of the Act, to issue and allot ordinary shares at any time in their absolute discretion without convening a general meeting provided that the aggregate number of shares issued does not exceed 20% of the total number of issued shares (excluding treasury shares) of the Company at any point of time. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

The Board believes that the Company requires a flexible and readily available avenue for raising capital, to allow the Company to capture prospective investment opportunities in a timely manner. The 20% General Mandate, if passed, will provide flexibility to the Directors to issue and allot shares for any possible fund raising activities for the purpose of funding future investments/acquisitions or for working capital to finance the day-to-day operational expenses or such other applications as the Directors consider would be in the best interest of the Company without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional cost and time.

The Board, having considered the current economic climate and the future financial needs of the Group, is of the opinion that the 20% General Mandate is in the best interest of the Company and its shareholders as this 20% General Mandate is the most appropriate avenue of fund raising at this juncture allowing the Company to raise funds expeditiously and efficiently.

## 6. Ordinary Resolution 8 – Proposed Renewal of Share Buy-Back Authority

The proposed Ordinary Resolution 8, if passed, will empower the Directors to purchase up to 10% of the total number of issued shares of the Company by utilising the funds allocated out of the retained profits of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

Further information on the Proposed Renewal of Share Buy-Back Authority is set out in Part A of the Statement/Circular to Shareholders dated 30 October 2020 which is available on the Company's website at <https://www.dgsbgroup.com/annual-reports-general-meetings>.

## 7. Ordinary Resolution 9 – Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The proposed Ordinary Resolution 9, if passed, will empower the Company and/or its subsidiary companies to enter into Recurrent Related Party Transactions of a revenue or trading nature in a timely manner. This will substantially reduce administrative time, inconvenience and expenses associated with the convening of general meetings, without compromising the corporate objectives of the Group or adversely affecting the business opportunities available to the Group.

Further information on the Proposed Shareholders' Mandate is set out in Part B of the Statement/Circular to Shareholders dated 30 October 2020 which is available on the Company's website at <https://www.dgsbgroup.com/annual-reports-general-meetings>.

## Notes

1. The 15th Annual General Meeting ("AGM") will be conducted on a fully virtual basis through live streaming and online remote voting using Remote Participation and Electronic Voting facilities ("RPEV"). The Company has appointed Red Ape Solutions Sdn Bhd as the poll administrator for the AGM to facilitate the RPEV via **the website portal at <https://agm.omesti.com>**. Please follow the procedures set out in the Administrative Guide for the 15th AGM which is available on the Company's website at <https://www.dgsbgroup.com/annual-reports-general-meetings> to register, participate and vote remotely via the RPEV.
2. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act, 2016 which requires the Chairperson of the meeting to be present at the main venue of the meeting.  
  
Members/proxies/corporate representatives/attorneys **WILL NOT BE ALLOWED** to be physically present at the Broadcast Venue on the day of the 15th AGM.
3. A member entitled to participate and vote at the meeting via RPEV is entitled to appoint not more than two (2) proxies to participate and vote in his stead. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy. A proxy need not be a member of the Company.
4. Where a member is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 which holds 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.
5. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if the appointer is a corporation either under its common seal or under the hand of an officer or attorney duly authorised in writing.

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6. *The appointment of proxy may be made in a hard copy form or by electronic means in the following manner not less than forty-eight (48) hours before the time set for holding the meeting or adjourned meeting:*
  - (a) *By online submission (for individual members only)*  
*Appointment of proxy(ies) can be electronically lodged via the website portal at <https://agm.omesti.com> by following the procedures provided in the Administrative Guide.*
  - (b) *In hard copy form*  
*The original proxy form must be deposited at the Registered Office of the Company at No. 47-5, The Boulevard, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur.*
7. *A member who has appointed a proxy/authorised representative/attorney to participate in the 15th AGM via RPEV must request his/her proxy/authorised representative/attorney to register himself/herself for RPEV at <https://agm.omesti.com>. Please follow the procedures provided in the Administrative Guide.*
8. *Only members whose names appear in the **Record of Depositors as at 23 November 2020** will be entitled to participate or appoint proxy(ies) to participate in his stead in the 15th AGM.*