

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011  
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	THREE MONTHS ENDED 30 SEPTEMBER 2011 RM'000	THREE MONTHS ENDED 30 SEPTEMBER 2010 RM'000	SIX MONTHS ENDED 30 SEPTEMBER 2011 RM'000	SIX MONTHS ENDED 30 SEPTEMBER 2010 RM'000
Revenue	11,483	14,360	26,841	28,818
Cost of sales	(9,759)	(8,515)	(16,977)	(17,183)
Gross profits	1,724	5,845	9,864	11,635
Other operating income	1,298	117	2,952	1,532
Other operating expenses	(8,681)	(9,231)	(15,840)	(18,930)
Finance costs	(174)	(103)	(350)	(189)
<b>Loss before tax</b>	<b>(5,833)</b>	<b>(3,372)</b>	<b>(3,374)</b>	<b>(5,952)</b>
Tax expense	(254)	(295)	(753)	(602)
<b>Loss for the financial period</b>	<b>(6,087)</b>	<b>(3,667)</b>	<b>(4,127)</b>	<b>(6,554)</b>
<b>Other comprehensive (loss) / income, net of tax</b>				
Foreign currency translation differences for foreign operations	(37)	375	(459)	317
<b>Other comprehensive (loss) / income for the financial period, net of tax</b>	<b>(37)</b>	<b>375</b>	<b>(459)</b>	<b>317</b>
<b>Total comprehensive loss for the financial period</b>	<b>(6,124)</b>	<b>(3,292)</b>	<b>(4,586)</b>	<b>(6,237)</b>
<b>Loss attributable to:-</b>				
Owners of the Company	(6,069)	(3,654)	(4,113)	(6,483)
Non-controlling interest	(18)	(13)	(14)	(71)
<b>Loss for the financial period</b>	<b>(6,087)</b>	<b>(3,667)</b>	<b>(4,127)</b>	<b>(6,554)</b>
<b>Total comprehensive loss attributable to:-</b>				
Owners of the Company	(6,106)	(3,279)	(4,572)	(6,166)
Non-controlling interest	(18)	(13)	(14)	(71)
<b>Total comprehensive loss for the financial period</b>	<b>(6,124)</b>	<b>(3,292)</b>	<b>(4,586)</b>	<b>(6,237)</b>
Loss per ordinary share (sen)				
-Basic	(0.45)	(0.27)	(0.30)	(0.48)

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying explanatory notes to the interim financial report and the audited financial statements for the financial year ended 31 March 2011.)

**DIVERSIFIED GATEWAY SOLUTIONS BERHAD ("DGSB")**  
**(formerly known as ISS CONSULTING SOLUTIONS BERHAD)** (675362-P)  
**Incorporated in Malaysia**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2011**

	<b>Unaudited</b> <b>As at</b> <b>30.09.2011</b> <b>RM'000</b>	<b>Audited</b> <b>As at</b> <b>31.03.2011</b> <b>RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	1,790	1,373
Goodwill	13,928	13,928
Deferred tax assets	303	301
	<u>16,021</u>	<u>15,602</u>
<b>Current Assets</b>		
Other investments	814	1,115
Inventories	8,749	8,527
Trade receivables	13,928	19,112
Other receivables, deposits and prepayments	5,807	12,718
Amounts owing by related companies	409	1,829
Current tax assets	862	561
Cash and cash equivalents	18,936	23,502
	<u>49,505</u>	<u>67,364</u>
<b>TOTAL ASSETS</b>	<u><u>65,526</u></u>	<u><u>82,966</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	135,588	135,588
Reverse acquisition reserve	(115,767)	(115,767)
Exchange translation reserve	(299)	160
Retained earnings	18,809	22,922
	<u>38,331</u>	<u>42,903</u>
<b>Non-controlling interest</b>	(14)	-
<b>TOTAL EQUITY</b>	<u>38,317</u>	<u>42,903</u>
<b>Non-Current Liabilities</b>		
Hire purchase and lease creditors	49	70
Provision for post-employment benefits	45	-
	<u>94</u>	<u>70</u>
<b>Current Liabilities</b>		
Trade payables	4,398	8,775
Other payables, deposits and accruals	9,625	17,768
Amounts owing to ultimate holding company	241	248
Amounts owing to related companies	2,736	2,161
Borrowings	9,639	10,933
Hire purchase and lease creditors	255	79
Current tax payables	221	29
	<u>27,115</u>	<u>39,993</u>
<b>TOTAL LIABILITIES</b>	<u>27,209</u>	<u>40,063</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>65,526</u></u>	<u><u>82,966</u></u>
	-	-
<b>Net assets per share (sen)</b>	<u>2.83</u>	<u>3.16</u>

*(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes to the interim financial report and the audited financial statements for the financial year ended 31 March 2011.)*

**DIVERSIFIED GATEWAY SOLUTIONS BERHAD ("DGSB")**  
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**Incorporated in Malaysia**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011**  
**(The figures have not been audited)**

	<----- Attributable to owners of the Company ----->						Total equity RM'000
	<----- Non-distributable ----->			Distributable		Non- controlling interest RM'000	
	Ordinary shares RM'000	Reverse acquisition reserve RM'000	Exchange translation reserve RM'000	Retained earnings RM'000	Total RM'000		
<b><u>Six Months Financial Period Ended 30 September 2011</u></b>							
Balance as at 1 April 2011	135,588	(115,767)	160	22,922	42,903	-	42,903
Total comprehensive loss for the financial period	-	-	(459)	(4,113)	(4,572)	(14)	(4,586)
Balance as at 30 September 2011	135,588	(115,767)	(299)	18,809	38,331	(14)	38,317

	<----- Attributable to owners of the Company ----->						Total equity RM'000
	<----- Non-distributable ----->			Distributable		Non- controlling interest RM'000	
	Ordinary shares RM'000	Reverse acquisition reserve RM'000	Exchange translation reserve RM'000	Retained earnings RM'000	Total RM'000		
<b><u>Six Months Financial Period Ended 30 September 2010</u></b>							
Balance as at 1 April 2010	630	-	-	40,864	41,494	-	41,494
Issuance of shares pursuant to acquisition of DGB	110,000	-	-	-	110,000	-	110,000
Adjustment arising from reverse acquisition	24,958	(115,767)	-	-	(90,809)	87	(90,722)
Total comprehensive income / (loss) for the financial period	-	-	317	(6,483)	(6,166)	(71)	(6,237)
Balance as at 30 September 2010	135,588	(115,767)	317	34,381	54,519	16	54,535

*(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes to the interim financial report and the audited financial statements for the financial year ended 31 March 2011.)*

**DIVERSIFIED GATEWAY SOLUTIONS BERHAD ("DGSB")**  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011**

	<b>SIX MONTHS ENDED 30 SEPTEMBER</b>	
	<b>2011</b>	<b>2010</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax	(3,374)	(5,952)
Adjustment for non-cash items	762	1,517
	<hr/>	<hr/>
Operating loss before working capital changes	(2,612)	(4,435)
Net changes in assets	12,830	1,021
Net changes in liabilities	(11,758)	(2,339)
	<hr/>	<hr/>
Net cash used in operations	(1,540)	(5,753)
Tax paid	(866)	(1,557)
Tax refunded	-	42
	<hr/>	<hr/>
Net cash used in operating activities	<u>(2,406)</u>	<u>(7,268)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Placement of fixed deposits pledged	295	(27)
Other investments	(592)	5,073
Acquisition of subsidiary companies, net of cash and cash equivalents acquired	-	(40)
Interest received	241	146
	<hr/>	<hr/>
Net cash (used in) / from investing activities	<u>(56)</u>	<u>5,152</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment to financial institutions	(628)	(604)
Interest paid	(319)	(137)
	<hr/>	<hr/>
Net cash used in financing activities	<u>(947)</u>	<u>(741)</u>
Net decrease in cash and cash equivalents	(3,409)	(2,857)
Cash and cash equivalents at 1 April 2011/2010**	6,169	21,447
Effect of foreign exchange on opening balance	(351)	304
	<hr/>	<hr/>
Cash and cash equivalents at 30 September 2011/2010**	<u>2,409</u>	<u>18,894</u>

\*\* Cash and cash equivalents at the beginning and end of the financial period are net of deposits pledged to banks.

*(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying explanatory notes to the interim financial report and the audited financial statements for the financial year ended 31 March 2011.)*

**Notes to the Interim Financial Report**  
**For the Second Quarter Ended 30 September 2011**

**1 Basis of preparation**

The interim financial report is unaudited and has been prepared in accordance with the requirements of Financial Reporting Standard ("FRS") 134, Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") for the ACE Market.

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 March 2011. The explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the previous financial year ended 31 March 2011.

**2 Significant Accounting Policies**

**(a) Changes in accounting policies**

The significant accounting policies adopted are consistent with those previously adopted in the audited financial statements of the Group for the financial year ended 31 March 2011 saved for the adoption of all the new/revised FRSS, Improvements to FRSS and IC Interpretations that are relevant to the Group's operations and effective for financial periods beginning on or after 1 July 2010, 1 January 2011 and 1 July 2011 as follows: -

<u>FRSS / IC Interpretations</u>		<u>Effective for financial periods beginning on or after</u>
FRS 1 (Revised)	First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3 (Revised)	Business Combinations	1 July 2010
FRS 127 (Revised)	Consolidated and Separate Financial Statements	1 July 2010
Amendments to FRS 1 (Revised)	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters	1 January 2011
Amendments to FRS 1	Additional Exemptions for First-time Adopters	1 January 2011
Amendments to FRS 2	Scope of FRS 2 and FRS 3 (Revised)	1 July 2010
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions	1 January 2011
Amendments to FRS 5	Plan to Sell the Controlling Interest in a Subsidiary	1 July 2010
Amendments to FRS 7	Improving Disclosures about Financial Instruments	1 January 2011
Amendments to FRS 127	Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2011
Amendments to FRS 138	Consequential Amendments Arising from FRS 3 (Revised)	1 July 2010
IC Interpretation 4	Determining Whether An Arrangement Contains a Lease	1 January 2011
IC Interpretation 12	Service Concession Arrangements	1 July 2010
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17	Distribution of Non-cash Assets to Owners	1 July 2010
IC Interpretation 18	Transfer of Assets from Customers	1 January 2011
Amendments to IC Interpretation 9	Scope of IC Interpretation 9 and FRS 3 (Revised)	1 July 2010
Amendments to IC Interpretation 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 July 2011
FRS 119	Requirements and their Interaction	
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Improvements to FRSS (2010)		1 January 2011

Other than the effect of the application of FRS 3 (Revised) and FRS 127 (Revised) described below, the application of the above new/revised FRSS, Amendments to FRSS and IC Interpretations did not result in any significant changes in the accounting policies and presentation of the financial results of the Group: -

**(i) FRS 3 (Revised): Business Combinations**

The revised standard continues to apply the acquisition method to business combinations but with some significant changes compared with FRS 3. For example, all payments to purchase a business are recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently remeasured through the profit or loss. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs are expensed. This revised standard will be applied prospectively and therefore there will not have any financial impact on the financial statements of the Group for the current financial period but may impact the accounting for future transactions or arrangements.

**(ii) FRS 127 (Revised): Consolidated and Separate Financial Statements**

The revised standard requires the effects of all transactions with non-controlling interest to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. All earnings and losses of the subsidiary are attributed to the parent and the non-controlling interests, even if the attribution of losses to the non-controlling interests results in a debit balance in the shareholders' equity. Profit or loss attributable to non-controlling interests for prior years is not restated. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is remeasured to fair value, and a gain or loss is recognised in profit or loss. The Group has adopted this revised standard prospectively to transactions with non-controlling interests from 1 January 2011.

**Notes to the Interim Financial Report**  
**For the Second Quarter Ended 30 September 2011**

**3 Qualification of independent auditors' report on preceding annual audited financial statements**

The independent auditors' report on the annual audited financial statements for the financial year ended 31 March 2011 was not qualified.

**4 Seasonal and cyclical factors**

The business of the Group was not affected by any significant seasonal and cyclical factors during the current financial period under review.

**5 Unusual items due to their nature, size or incidence**

Saved as disclosed in note 2 and note 6 of this report, there were no unusual items affecting the assets, liabilities, equity, net income, or cash flows due to their nature, size, or incidence during the current financial period under review.

**6 Material changes in estimates**

There were no material changes in estimates of amounts reported in prior financial years. Thus, there is no material effect in the financial statements of the current financial period under review.

**7 Debt and equity securities**

There were no issuance, cancellation, repurchase, resale and repayment of debt securities of the Group and equity securities of the Company as at the date of this report.

**8 Dividends paid**

No dividend has been paid in the current financial period under review.

**9 Segmental reporting**

<b>Business Segments</b>	<b>Networks RM'000</b>	<b>Solutions RM'000</b>	<b>Others RM'000</b>	<b>Adjustment/ Eliminations RM'000</b>	<b>Total RM'000</b>
<b><u>Six Months Financial Period Ended 30 September 2011</u></b>					
External sales	9,820	17,021	-	-	26,841
Inter segment sales	6	106	-	(112)	-
<b>Total Sales</b>	<b>9,826</b>	<b>17,127</b>	<b>-</b>	<b>(112)</b>	<b>26,841</b>
Segment results	1,674	(4,730)	(240)	-	(3,296)
Interest expense					(319)
Interest Income					241
Loss before taxation					<b>(3,374)</b>
Segment assets	37,478	14,119	13,929	-	65,526
<b><u>Six Months Financial Period Ended 30 September 2010</u></b>					
External sales	13,020	15,798	-	-	28,818
Inter segment sales	-	565	-	(565)	-
<b>Total Sales</b>	<b>13,020</b>	<b>16,363</b>	<b>-</b>	<b>(565)</b>	<b>28,818</b>
Segment results	2,274	(7,465)	(770)	-	(5,961)
Interest expense					(137)
Interest Income					146
Loss before taxation					<b>(5,952)</b>
Segment assets	40,615	27,284	17,704	-	85,603

**Notes to the Interim Financial Report**  
**For the Second Quarter Ended 30 September 2011**

**10 Carrying amount of revalued assets**

There were no changes to the valuation of property, plant and equipment during the current financial period under review.

**11 Subsequent events**

There were no material events announced subsequent to the end of the current financial period under review.

**12 Changes in the composition of the Group**

There were no changes in the composition of the Group during the current financial period under review.

**13 Changes in contingent liabilities or contingent assets**

There were no changes in contingent liabilities or contingent assets of the Group since the previous financial year.

**14 Capital commitments**

There were no capital commitments during the current financial period under review.

**DIVERSIFIED GATEWAY SOLUTIONS BERHAD ("DGSB")**  
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**Additional information required by Bursa Securities Listing Requirements**  
**For the Second Quarter Ended 30 September 2011**

**1 Review of performance**

The Group recorded RM11.5 million of revenue in the current quarter under review, a decrease of approximately 20.0% from RM14.4 million in the corresponding quarter of the preceding financial year.

The Group recorded a loss before tax of RM5.8 million for the current quarter under review, an increase of loss approximately RM2.5 million compared to the corresponding quarter of the preceding financial year. The gross profit margin for the current quarter under review is lower compared to the corresponding quarter of the preceding financial year resulting from lower billing and cost written off for a foreseeable loss of RM4.5 million in one of the existing project of a subsidiary.

**2 Variation of results against preceding quarter**

	<b>3 months ended 30.09.2011 RM'000</b>	<b>3 months ended 30.06.2011 RM'000</b>
(Loss) / Profit before tax	(5,833)	2,459

The group posted a loss before tax of RM5.8 million for the current quarter under review as compared to a profit before tax of RM2.5 million for the preceding quarter. The loss in the current quarter under review is resulting from lower billing and cost written off for a foreseeable loss of RM4.5 million in one of the existing project of a subsidiary.

**3 Current year prospects**

The Board of Directors expects the performance of the Group to improve in the next financial quarter.

**4 Profit forecast**

Not applicable.

**5 Tax expense**

	<b>INDIVIDUAL QUARTER THREE MONTHS ENDED 30 SEPTEMBER</b>		<b>CUMULATIVE PERIOD SIX MONTHS ENDED 30 SEPTEMBER</b>	
	<b>2011 RM'000</b>	<b>2010 RM'000</b>	<b>2011 RM'000</b>	<b>2010 RM'000</b>
Current tax expense				
- Malaysian taxation	27	58	448	276
- Foreign taxation	227	-	250	-
Under provision in prior periods				
- Foreign taxation	-	10	55	54
	<u>254</u>	<u>68</u>	<u>753</u>	<u>330</u>
Deferred taxation				
- origination and reversal of temporary differences	-	227	-	272
	<u>254</u>	<u>295</u>	<u>753</u>	<u>602</u>

The Group's effective tax rate for the current financial quarter is higher than the statutory tax rate as profits of certain subsidiaries cannot be set-off against losses of other subsidiaries for tax purposes as these subsidiaries are not able to satisfy the conditions for group relief and certain expenses were disallowed for tax deductions.

**6 Unquoted investments and properties**

There were no sales of any unquoted investments and/or properties during the financial quarter under review.



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**Additional information required by Bursa Securities Listing Requirements**  
**For the Second Quarter Ended 30 September 2011**

**7 Marketable securities**

Details of disposal of quoted investments were as follows:

	<b>Current quarter ended 30.09.2011 RM'000</b>	<b>Current period-to- date 30.09.2011 RM'000</b>
Sales proceeds on disposal	-	59
Loss on disposal	-	(15)
		<hr/>

As at 30 September 2011, the quoted investments included in other short term investments are as follows: -

	<b>RM'000</b>
At cost	2,129
Less: Fair value adjustment	
- Opening balance	(1,088)
- Current quarter	(227)
	<hr/>
	(1,315)
	<hr/>
At fair value	814
At market value	<hr/> <hr/> 814

**8 Status of corporate proposals**

There were no corporate proposals announced or outstanding as at the date of this report.

**9 Borrowings and debts securities**

The Group's bank borrowings as at 30 September 2011 are as follows:

	<b>RM'000</b>
Short term bank borrowings - secured	
- Denominated in RM	<hr/> 9,639

**10 Realised and Unrealised Profits**

The breakdown of retained profits of the Group as at the reporting date, into realised and unrealised profits, pursuant to the directive issued by Bursa Securities on 25 March 2010 and 20 December 2010, is as follows:

	<b>30.09.2011 RM'000</b>	<b>30.06.2011 RM'000</b>
Total retained profits of the Group: -		
- Realised	18,434	24,438
- Unrealised - in respect of deferred tax recognised in the statement of comprehensive income	302	302
- in respect of other items of income and expense	73	138
	<hr/>	<hr/>
Total Group retained profits as per consolidated accounts	18,809	24,878

The determination of realised and unrealised profits is based on the Guidedance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Securities Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be applied for any other purposes.

**11 Off balance sheet financial instruments**

The Group does not have any financial instruments with off balance sheet risk as at the date of this report.

**12 Changes in material litigation**

Please refer to the Summary of Material Litigation attached for further details.

**13 Dividends**

No dividends have been recommended during the financial quarter under review.

**DIVERSIFIED GATEWAY SOLUTIONS BERHAD ("DGSB")**  
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**Additional information required by Bursa Securities Listing Requirements**  
**For the Second Quarter Ended 30 September 2011**

**14 Loss per ordinary share**

(a) Loss per ordinary share

Basic loss per ordinary share for the financial period under review is calculated based on the Group's loss after tax and minority interests divided by the weighted average ("WA") number of ordinary shares in issue during the financial period.

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	THREE MONTHS ENDED 30		SIX MONTHS ENDED 30 SEPTEMBER	
	2011	2010	2011	2010
Loss after tax and minority interests (RM'000)	(6,069)	(3,654)	(4,113)	(6,483)
WA number of ordinary shares in issue ('000)	1,355,877	1,355,877	1,355,877	1,337,700
Basic loss per ordinary share (sen)	(0.45)	(0.27)	(0.30)	(0.48)

(b) Fully diluted earnings per ordinary share

The Group has no potential ordinary shares in issue as at 30 September 2011 and therefore, diluted earnings per share has not been presented.

SUMMARY OF STATUS OF MATERIAL LITIGATION AS AT 17 NOVEMBER 2011

A. MATERIAL LITIGATION AGAINST THE GROUP

No.	Parties to the Suit	Case / Summons No.	Court	Latest Status
1	Wills Consulting Pte. Ltd. (Plaintiff) vs Ledge Consulting Pte Ltd (Defendant)  Ledge Consulting Pte Ltd (Plaintiff in Counterclaim) vs 1) Wills Consulting Pte. Ltd and 2) William Toh Geok Kim (Defendants in Counterclaim)	MC Suit No. 530 of 2011/D	Subordinate Court of the Republic of Singapore	Parties attended a Pre-Trial Conference on 29 September 2011 where the Registrar directed parties to kick-start the discovery process. Wills filed its List of Documents and Affidavit Verifying List Of Documents on 1 November 2011 whereas Ledge filed its List of Documents on 1 November 2011 and Affidavit Verifying List Of Documents on 2 November 2011. Parties have since written to each other to request for copies of all the documents set out in their respective lists. At the further Pre-Trial Conference fixed on 9 November 2011, parties informed the Assistant Registrar ("AR") that copies of documents were exchanged on 8 November 2011. However, Ledge has yet to furnish copies of certain invoices to Wills. The AR directed that copies of all documents listed in parties' List of Documents to be furnished to each respective party by no later than 22 November 2011. The AR then fixed a further Pre Trial Conference on 1 December 2011 for parties to update the Court whether they wish to seek specific discovery of documents.

SUMMARY OF STATUS OF MATERIAL LITIGATION AS AT 17 NOVEMBER 2011

B. MATERIAL LITIGATION FOR THE GROUP

No.	Parties to the Suit	Case / Summons No.	Court	Latest Status
1	ISS Consulting (M) Sdn Bhd ("ISS (M)") v TSH Resources Berhad		Regional Centre for Arbitration at Kuala Lumpur	<p>ISS (M) has served a Notice of Arbitration dated 2 June 2011 on TSH Resources Berhad ("the Respondent") under the Arbitration Act 2005 in the Regional Centre for Arbitration at Kuala Lumpur ("Arbitration"). The amount claimed is as follows :</p> <p>(a) the following special damages:</p> <ul style="list-style-type: none"> <li>i) outstanding sums of RM1,770,560.00 pursuant to invoices issued;</li> <li>ii) outstanding costs on a time and material basis amounting to RM2,193,148.56;</li> <li>iii) air travel, visa applications and accommodation amounting to RM87,403.00;</li> </ul> <p>(b) further or alternatively general damages for ISS (M)'s losses and damages;</p> <p>(c) interest on the damages and/or sums awarded at such rate and for such period as deemed fit and just by the Arbitrators; and</p> <p>(d) legal costs and costs of the arbitration proceedings to be borne by the Respondent.</p> <p>The Arbitration is based on the outstanding claims due and owing to ISS (M) by the Respondent, including but not limited to monies due and owing in respect of outstanding invoices for works and/or services done and/or rendered, and expenses incurred by ISS (M) pursuant to the Master Consultancy Services Agreement dated 15 February 2008 and the Supplemental Agreement dated 2 October 2009 entered into between ISS (M) and the Respondent which have been terminated by the mutual consent of both parties.</p> <p>TSH has on 18 August 2011 served their Notice of Arbitration dated 18 August 2011 on ISS (M) which contains in essence a counter claim for general damages to be assessed by the arbitral tribunal, other reliefs and remedies deemed fit; interests and legal costs of the arbitration. TSH has therefore requested that their notice of arbitration and ISS (M)'s Notice of Arbitration be heard by the same arbitrator. TSH is however not agreeable to the arbitrator ISS (M) has proposed and has proposed a different arbitrator. TSH has asked ISS (M) to respond to their proposed arbitrator within 30 days. ISS (M) is in the midst of obtaining its solicitors advice on the next course of action.</p>