

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2013**  
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	THREE MONTHS ENDED 30 JUNE		THREE MONTHS ENDED 30 JUNE	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Revenue	13,876	20,972	13,876	20,972
Cost of sales	(9,097)	(14,840)	(9,097)	(14,840)
Gross profits	4,779	6,132	4,779	6,132
Other operating income	435	998	435	998
Other operating expenses	(5,211)	(5,810)	(5,211)	(5,810)
Finance costs	(297)	(282)	(297)	(282)
<b>(Loss) / Profit before tax</b>	(294)	1,038	(294)	1,038
Tax expense	(485)	(654)	(485)	(654)
<b>(Loss) / Profit for the financial period</b>	(779)	384	(779)	384
<b>Other comprehensive income, net of tax</b>				
- Item that may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operations	(159)	(486)	(159)	(486)
<b>Other comprehensive loss for the financial period, net of tax</b>	(159)	(486)	(159)	(486)
<b>Total comprehensive loss for the financial period</b>	(938)	(102)	(938)	(102)
<b>(Loss) / Profit attributable to:-</b>				
Owners of the Company	(779)	385	(779)	385
Non-controlling interest	-	(1)	-	(1)
<b>(Loss) / Profit for the financial period</b>	(779)	384	(779)	384
<b>Total comprehensive loss attributable to:-</b>				
Owners of the Company	(938)	(101)	(938)	(101)
Non-controlling interest	-	(1)	-	(1)
<b>Total comprehensive loss for the financial period</b>	(938)	(102)	(938)	(102)
(Loss) / Earnings per ordinary share (sen)				
-Basic	(0.06)	0.03	(0.06)	0.03

*(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 2013.)*

**DIVERSIFIED GATEWAY SOLUTIONS BERHAD ("DGSB")** (675362-P)  
 Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
 AS AT 30 JUNE 2013**

	<b>Unaudited As at 30.06.2013 RM'000</b>	<b>Audited As at 31.03.2003 RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	1,579	1,563
Goodwill	8,675	8,675
Deferred tax assets	23	23
	<u>10,277</u>	<u>10,261</u>
<b>Current Assets</b>		
Inventories	11,892	12,158
Trade receivables	11,431	8,392
Other receivables, deposits and prepayments	10,753	12,585
Amounts owing by related companies	6,970	10,863
Current tax assets	442	377
Cash and cash equivalents	15,298	18,294
	<u>56,786</u>	<u>62,669</u>
<b>TOTAL ASSETS</b>	<u><u>67,063</u></u>	<u><u>72,930</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	86	245
Retained earnings	15,933	16,712
	<u>35,840</u>	<u>36,778</u>
<b>Non-controlling interest</b>	19	19
<b>TOTAL EQUITY</b>	<u>35,859</u>	<u>36,797</u>
<b>Non-Current Liabilities</b>		
Borrowings	267	272
Provision for post-employment benefits	185	191
	<u>452</u>	<u>463</u>
<b>Current Liabilities</b>		
Trade payables	6,174	5,986
Other payables, deposits and accruals	11,006	11,538
Amounts owing to ultimate holding company	2,505	1,353
Amounts owing to related companies	2,217	2,508
Borrowings	8,690	14,013
Current tax payables	160	272
	<u>30,752</u>	<u>35,670</u>
<b>TOTAL LIABILITIES</b>	<u>31,204</u>	<u>36,133</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>67,063</u></u>	<u><u>72,930</u></u>
<b>Net assets per share (sen)</b>	<u>2.64</u>	<u>2.71</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 2013.)*

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2013**  
(The figures have not been audited)

	<----- Attributable to owners of the Parent ----->						Non- controlling interest RM'000	Total equity RM'000
	<----- Non-distributable ----->			Distributable		Total RM'000		
	Ordinary shares RM'000	Reverse acquisition reserve RM'000	Exchange translation reserve RM'000	Retained earnings RM'000				
<b>Three Months Financial Year Ended 30 June 2013</b>								
Balance as at 1 April 2013	135,588	(115,767)	245	16,712	36,778	19	36,797	
Loss after tax for the financial period	-	-	-	(779)	(779)	-	(779)	
Other comprehensive loss for the financial period, net of tax: - Foreign currency translation differences for foreign operations	-	-	(159)	-	(159)	-	(159)	
Total comprehensive loss for the financial period	-	-	(159)	(779)	(938)	-	(938)	
Balance as at 30 June 2013	135,588	(115,767)	86	15,933	35,840	19	35,859	

	<----- Attributable to owners of the Parent ----->						Non- controlling interest RM'000	Total equity RM'000
	<----- Non-distributable ----->			Distributable		Total RM'000		
	Ordinary shares RM'000	Reverse acquisition reserve RM'000	Exchange translation reserve RM'000	Retained earnings RM'000				
<b>Three Months Financial Year Ended 30 June 2012</b>								
Balance as at 1 April 2012	135,588	(115,767)	204	15,813	35,838	46	35,884	
Profit / (loss) after tax for the financial period	-	-	-	385	385	(1)	384	
Other comprehensive loss for the financial period, net of tax: - Foreign currency translation differences for foreign operations	-	-	(486)	-	(486)	-	(486)	
Total comprehensive (loss) / income for the financial period	-	-	(486)	385	(101)	(1)	(102)	
Balance as at 30 June 2012	135,588	(115,767)	(282)	16,198	35,737	45	35,782	

(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 2013.)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2013**  
**(The figures have not been audited)**

	<b>THREE MONTHS ENDED 30 JUNE</b>	
	<b>2013</b>	<b>2012</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) / Profit before tax	(294)	1,038
Adjustment for non-cash items:		
Depreciation of property, plant and equipment	129	170
Impairment losses on trade receivables	49	369
Interest income	(68)	(132)
Interest expense	257	269
Net gain on disposal of property, plant and equipment	-	(1)
Property, plant and equipment written off	68	47
Reversal of impairment losses on trade receivables	(19)	(223)
Net unrealised gain on foreign exchange	(108)	(224)
	<u>14</u>	<u>1,313</u>
Operating profit before working capital changes		
Net changes in assets	3,782	(1,727)
Net changes in liabilities	(546)	(5,698)
	<u>3,250</u>	<u>(6,112)</u>
Net cash generated from / (used in) operations		
Tax paid	(666)	(440)
Tax refunded	-	50
	<u>2,584</u>	<u>(6,502)</u>
Net cash from / (used in) operating activities		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(131)	(212)
Proceeds from disposal of property, plant and equipment	-	1
Placement of fixed deposits pledged	(27)	(64)
Interest received	68	132
	<u>(90)</u>	<u>(143)</u>
Net cash used in investing activities		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of borrowings	-	6,817
Repayment of borrowings	(2,611)	(69)
Interest paid	(257)	(269)
	<u>(2,868)</u>	<u>6,479</u>
Net cash (used in) / from financing activities		
Net decrease in cash and cash equivalents	(374)	(166)
Cash and cash equivalents at 1 April 2013/2012**	(1,887)	(147)
Effect of foreign exchange on opening balance	160	(705)
	<u>(2,101)</u>	<u>(1,018)</u>
Cash and cash equivalents at 30 June 2013/2012**		

\*\* 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 2013.)

**Notes to the Interim Financial Report**  
**For the First Quarter Ended 30 June 2013**

**1 Basis of preparation**

The interim financial report is unaudited and has been prepared in accordance with the requirements of Malaysian Financial Reporting Standard ("MFRS") 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 2013. 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 2013.

**2 Significant Accounting Policies**

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent annual financial statements for the financial year ended 31 March 2013, except for the adoption of the following MFRS, IC Interpretation and Amendments to MFRS during the current financial period: -

<u>MFRSs / IC Interpretations</u>		<u>Effective for financial periods beginning on or after</u>
MFRS 10	Consolidated Financial Statements	1 January 2013
MFRS 11	Joint Arrangements	1 January 2013
MFRS 12	Disclosure of Interests in Other Entities	1 January 2013
MFRS 13	Fair Value Measurement	1 January 2013
MFRS 119	Employee Benefits	1 January 2013
MFRS 127	Separate Financial Statements	1 January 2013
MFRS 128	Investments in Associates and Joint Ventures	1 January 2013
Amendments to MFRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 10, MFRS 11 and MFRS 12	Transition Guidance	1 January 2013
Amendments to MFRS 101	Presentation of Items of Other Comprehensive Income	1 July 2012
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Annual Improvements to MFRSs 2009 - 2011 Cycle		1 January 2013

The adoption of the above standards that are applicable from the financial year beginning on 1 April 2013 is not expected to result in any material impact on the financial position and results of the Group and Company except for certain changes in the presentation of the statement of comprehensive income as guided by the Amendments to MFRS 101.

**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 2013 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 quarter 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 quarter 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 quarter 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 during the current financial quarter under review.

**8 Dividends paid**

No dividends have been paid during the current financial quarter under review.

Notes to the Interim Financial Report  
 For the First Quarter Ended 30 June 2013

9 Segmental reporting

Business Segments	Networks RM'000	Solutions RM'000	Distribution RM'000	Others RM'000	Adjustment/ Eliminations RM'000	Total RM'000
<b><u>Three Months Financial Year Ended 30 June 2013</u></b>						
External sales	8,266	5,471	139	-	-	13,876
Inter segment sales	20	-	-	-	(20)	-
<b>Total Sales</b>	<b>8,286</b>	<b>5,471</b>	<b>139</b>	<b>-</b>	<b>(20)</b>	<b>13,876</b>
Segment results	1,538	(1,403)	(25)	(215)	-	(105)
Interest expense						(257)
Interest Income						68
Loss before tax						(294)
Segment assets	41,397	16,710	280	8,676	-	67,063
<b><u>Three Months Financial Year Ended 30 June 2012</u></b>						
External sales	15,241	5,731	-	-	-	20,972
Inter segment sales	-	566	-	-	(566)	-
<b>Total Sales</b>	<b>15,241</b>	<b>6,297</b>	<b>-</b>	<b>-</b>	<b>(566)</b>	<b>20,972</b>
Segment results	2,779	(1,407)	-	(197)	-	1,175
Interest expense						(269)
Interest Income						132
Loss before tax						1,038
Segment assets	49,761	11,361	-	12,143	-	73,265

10 Related Party Disclosures

Significant related party transactions are as follows:-

	INDIVIDUAL QUARTER THREE MONTHS ENDED 30 JUNE		CUMULATIVE PERIOD THREE MONTHS ENDED 30 JUNE	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Sale of goods and services to related companies	4,489	2,917	4,489	2,917
Purchase of goods and services from related companies	-	324	-	324
Management fees to ultimate holding company	120	120	120	120

11 Carrying amount of revalued assets

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

12 Subsequent events

There were no material events announced subsequent to the end of the current financial quarter under review up to the date of this announcement.

13 Changes in the composition of the Group

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

14 Changes in contingent liabilities or contingent assets

There were no changes in contingent liabilities or contingent assets of the Group during the current financial quarter under review.

15 Capital commitments

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

**Additional information required by Bursa Securities Listing Requirements  
For the First Quarter Ended 30 June 2013**

**1 Detailed analysis of performance**

The Group recorded RM13.9 million of revenue in the current quarter under review, a decrease of approximately 33.8% from RM21.0 million in the corresponding quarter of the preceding financial year.

The detailed breakdown of revenue by business segments of the Group are as follows: -

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	THREE MONTHS ENDED 30 JUNE		THREE MONTHS ENDED 30 JUNE	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Networks	8,286	15,241	8,286	15,241
Solutions	5,471	6,297	5,471	6,297
Distribution	139	-	139	-
	<u>13,896</u>	<u>21,538</u>	<u>13,896</u>	<u>21,538</u>
Less : Inter Segment Revenue	(20)	(566)	(20)	(566)
Total Group Revenue	<u>13,876</u>	<u>20,972</u>	<u>13,876</u>	<u>20,972</u>

The Networks segment showed a decrease in revenue by RM7.0 million in the current quarter compared to the corresponding quarter of the preceding financial year. The higher revenue in the corresponding quarter of the preceding financial year was mainly attributable to the completion of a sizeable project amounting to RM8.1 million.

For the Solutions segment, the revenue for the current quarter decreased by RM0.8 million or 13.1% compared to the corresponding quarter of the preceding financial year. This is mainly due to lower billings in a subsidiary located at Thailand resulting from delay in obtaining sign-off for certain project milestones.

The detailed breakdown of (loss) / profit before tax by business segments of the Group are as follows: -

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	THREE MONTHS ENDED 30 JUNE		THREE MONTHS ENDED 30 JUNE	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Networks	1,563	2,784	1,563	2,784
Solutions	(1,465)	(1,406)	(1,465)	(1,406)
Distribution	(25)	-	(25)	-
Others	(367)	(340)	(367)	(340)
(Loss) / Profit before tax	<u>(294)</u>	<u>1,038</u>	<u>(294)</u>	<u>1,038</u>

Comparing the current quarter against the corresponding quarter of the preceding financial year, the Group incurred loss before tax of RM0.3 million against a profit before tax of RM1.0 million. Networks segment's profit before tax registered a reduction of approximately RM1.2 million in the current quarter under review which is mainly resulted from the decrease in revenue as aforementioned.

**2 Variation of results against preceding quarter**

	3 months ended 30.06.2013 RM'000	3 months ended 31.03.2013 RM'000
Loss before tax	(294)	(933)

The Group recorded a lower loss before tax of RM0.3 million for the current quarter under review as compared to loss before tax of RM0.9 million in the immediate preceding quarter. The higher loss before tax in the preceding quarter was due to the impairment losses on goodwill of RM2.3 million incurred during the preceding quarter.

**3 Current year prospects**

The Board is cautiously optimistic that the Group's performance for the remaining quarters of the current financial year is expected to be satisfactory.

**Additional information required by Bursa Securities Listing Requirements  
For the First Quarter Ended 30 June 2013**

**4 Profit forecast**

Not applicable.

**5 Tax expense**

	INDIVIDUAL QUARTER THREE MONTHS ENDED 30 JUNE		CUMULATIVE PERIOD THREE MONTHS ENDED 30 JUNE	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Current tax expense				
- Malaysian taxation	423	688	423	688
- Foreign taxation	62	29	62	29
(Over) / Under provision in prior year				
- Malaysian taxation	-	-	-	-
- Foreign taxation	-	(63)	-	(63)
	<u>485</u>	<u>654</u>	<u>485</u>	<u>654</u>
Deferred taxation				
- origination and reversal of temporary differences				
- Malaysian taxation	-	-	-	-
- Foreign taxation	-	-	-	-
	<u>485</u>	<u>654</u>	<u>485</u>	<u>654</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 Status of corporate proposals**

On 26 March 2012, the Company announced its proposal to undertake a Renounceable Rights Issue of up to 338,969,273 new ordinary shares of RM0.10 each in DGSB ("Rights Shares") together with up to 338,969,273 Free Detachable Warrants ("Warrants") at an issue price of RM0.10 per Rights Share on the basis of one (1) Rights Share for every four (4) existing ordinary shares of RM0.10 each held in DGSB ("DGSB Shares") together with one (1) free Warrant for every one (1) Rights Share subscribed at an entitlement date, to be determined later by the Board ("Proposed Rights Issue With Warrants").

On 6 July 2012, Bursa Securities had approved the following:

- (i) Listing of and quotation for up to 338,969,273 new DGSB Shares to be issued pursuant to the Proposed Rights Issue with Warrants;
- (ii) Admission to the Official List and the listing of and quotation for up to 338,969,273 Warrants to be issued pursuant to the Proposed Rights Issue with Warrants; and
- (iii) Listing of and quotation for up to 338,969,273 new DGSB Shares to be issued pursuant to the exercise of the Warrants.

On 19 July 2012, Bank Negara Malaysia had approved the issuance of the Warrants to non-residents shareholders of the Company.

On 13 September 2012, shareholders of DGSB have approved the Proposed Rights Issue With Warrants.

The Company applied for two extensions of time of six (6) months each up to 5 July 2013 and 5 January 2014 respectively to complete the Rights Issue with Warrants. The said applications have been approved by Bursa Securities on 24 December 2012 and 28 June 2013 respectively.

As at the date of this report, the Proposed Rights Issue With Warrants has yet to be completed.

Saved as disclosed above, there were no other corporate proposals announced or outstanding as at the date of this report.

**7 Borrowings and debts securities**

The Group's bank borrowings as at 30 June 2013 are as follows:

	RM'000
Short term bank borrowings - secured	
- Denominated in RM	7,027
- Denominated in Thai Baht	1,663
Long term bank borrowings - secured	
- Denominated in RM	209
- Denominated in Thai Baht	58
	<u>8,957</u>



**Additional information required by Bursa Securities Listing Requirements  
For the First Quarter Ended 30 June 2013**

**8 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>30.06.2013</b>	<b>31.03.2013</b>
	<b>RM'000</b>	<b>RM'000</b>
Total retained profits of the Group: -		
- Realised	24,905	25,635
- Unrealised	21	70
	<u>24,926</u>	<u>25,705</u>
Less: Consolidation adjustments	(8,993)	(8,993)
Total Group retained profits as per consolidated financial statements	<u><u>15,933</u></u>	<u><u>16,712</u></u>

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.

**9 Changes in material litigation**

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

**10 Dividends**

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

**11 (Loss) / Earnings per ordinary share**

(a) (Loss) / Earnings per ordinary share

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

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE PERIOD</b>	
	<b>THREE MONTHS ENDED 30 JUNE</b>		<b>THREE MONTHS ENDED 30 JUNE</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
(Loss) / Profit after tax and non-controlling interests (RM'000)	(779)	385	(779)	385
WA number of ordinary shares in issue ('000)	1,355,877	1,355,877	1,355,877	1,355,877
Basic (loss) / earnings per ordinary share (sen)	<u>(0.06)</u>	<u>0.03</u>	<u>(0.06)</u>	<u>0.03</u>

(b) Fully diluted earnings per ordinary share

The Group has no potential ordinary shares in issue as at 30 June 2013 and therefore, diluted earnings per share has not been presented.

**12 (Loss) / Profit before tax**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE PERIOD</b>	
	<b>THREE MONTHS ENDED 30 JUNE</b>		<b>THREE MONTHS ENDED 30 JUNE</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
(Loss) / Profit before tax is arrived at after charging: -				
Depreciation of property, plant and equipment	129	170	129	170
Impairment losses on trade receivables	49	369	49	369
Interest expenses	257	269	257	269
Property, plant and equipment written off	68	47	68	47
Realised loss on foreign currency transactions	1	55	1	55
Unrealised loss on foreign currency translation	43	146	43	146
And crediting: -				
Gain on disposal of property, plant and equipment	-	1	-	1
Interest income	68	132	68	132
Reversal of impairment losses on				
- trade receivables	19	223	19	223
Realised gain on foreign currency transactions	74	209	74	209
Unrealised gain on foreign currency translation	151	370	151	370

SUMMARY OF STATUS OF MATERIAL LITIGATION AS AT 16 AUGUST 2013

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>The parties have amicably settled this matter and on 6 August 2013, ISS(M)'s solicitors have written to the arbitrator to inform him that the parties have reached an amicable settlement and that both parties jointly apply for an order for termination of the arbitration proceedings on the following terms:-</p> <ul style="list-style-type: none"> <li>(i) both parties withdraw their respective claims and counterclaims in the arbitration, with not liberty to file afresh;</li> <li>(ii) both parties shall bear the fees and costs of the arbitrator as well as any costs relating to reservation of rooms for the arbitration in equal shares; and</li> <li>(iii) both parties shall bear their own costs relating to the arbitration.</li> </ul> <p>The parties are now awaiting the Arbitrator's response for purposes of finalizing the settlement.</p>