

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2014
 (The figures have not been audited)**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	THREE MONTHS ENDED 31		NINE MONTHS ENDED 31	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
	Unaudited	Unaudited	Unaudited	Unaudited
Revenue	33,781	17,862	79,693	52,760
Cost of sales	(21,135)	(10,350)	(46,756)	(29,342)
Gross profits	12,646	7,512	32,937	23,418
Other operating income	621	100	1,110	1,501
Other operating expenses	(8,967)	(7,719)	(25,342)	(21,540)
Finance costs	(320)	(305)	(886)	(875)
Profit/(Loss) before tax	3,980	(412)	7,819	2,504
Tax expense	(972)	(189)	(2,080)	(1,193)
Profit/(Loss) for the financial period	3,008	(601)	5,739	1,311
Other comprehensive (loss) / income, net of tax - Item that may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operations	(464)	(17)	62	(219)
Other comprehensive (loss) / income for the financial period, net of tax	(464)	(17)	62	(219)
Total comprehensive income / (loss) for the financial period	2,544	(618)	5,801	1,092
Profit/(Loss) attributable to:-				
Owners of the Company	2,977	(602)	5,708	1,310
Non-controlling interest	31	1	31	1
Profit/(Loss) for the financial period	3,008	(601)	5,739	1,311
Total comprehensive income / (loss) attributable to:-				
Owners of the Company	2,513	(619)	5,770	1,091
Non-controlling interest	31	1	31	1
Total comprehensive income / (loss) for the financial period	2,544	(618)	5,801	1,092
Earnings/(Loss) per ordinary share (sen)				
-Basic	0.22	(0.04)	0.42	0.10

(The Condensed Consolidated Statement of Profit or Loss and Other 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 2014.)

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 AS AT 31 DECEMBER 2014**

	As at 31.12.2014 RM'000 Unaudited	As at 31.03.2014 RM'000 Audited
ASSETS		
Non-Current Assets		
Property, plant and equipment	1,569	1,809
Goodwill	8,025	8,025
Deferred tax assets	255	242
	<u>9,849</u>	<u>10,076</u>
Current Assets		
Inventories	10,501	10,592
Trade receivables	14,816	15,367
Other receivables, deposits and prepayments	5,880	14,010
Amounts owing by related companies	22,209	6,596
Current tax assets	1,411	1,525
Cash and cash equivalents	19,269	17,543
	<u>74,086</u>	<u>65,633</u>
TOTAL ASSETS	<u><u>83,935</u></u>	<u><u>75,709</u></u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	135,588	135,588
Reverse acquisition reserve	(115,767)	(115,767)
Exchange translation reserve	(206)	(268)
Retained earnings	24,023	18,315
	<u>43,638</u>	<u>37,868</u>
Non-controlling interest	52	21
TOTAL EQUITY	<u>43,690</u>	<u>37,889</u>
Non-Current Liabilities		
Borrowings	378	493
Provision for post-employment benefits	1,276	1,210
Deferred tax liabilities	12	12
	<u>1,666</u>	<u>1,715</u>
Current Liabilities		
Trade payables	2,933	7,460
Other payables, deposits and accruals	7,037	12,152
Amounts owing to ultimate holding company	4,659	3,230
Amounts owing to related companies	1,985	2,324
Borrowings	21,965	10,918
Current tax payables	-	21
	<u>38,579</u>	<u>36,105</u>
TOTAL LIABILITIES	<u>40,245</u>	<u>37,820</u>
TOTAL EQUITY AND LIABILITIES	<u><u>83,935</u></u>	<u><u>75,709</u></u>
Net assets per share (sen)	<u>3.22</u>	<u>2.79</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 2014.)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2014**
 (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				
Unaudited <u>Nine Months Financial Period Ended 31 December 2014</u>								
Balance as at 1 April 2014	135,588	(115,767)	(268)	18,315	37,868	21	37,889	
Profit after tax for the financial period	-	-	-	5,708	5,708	31	5,739	
Other comprehensive income for the financial period, net of tax: - Foreign currency translation differences for foreign operations	-	-	62	-	62	-	62	
Total comprehensive income for the financial period	-	-	62	5,708	5,770	31	5,801	
Balance as at 31 December 2014	135,588	(115,767)	(206)	24,023	43,638	52	43,690	

	<----- 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				
Unaudited <u>Nine Months Financial Period Ended 31 December 2013</u>								
Balance as at 1 April 2013	135,588	(115,767)	245	16,712	36,778	19	36,797	
Profit after tax for the financial period	-	-	-	1,310	1,310	1	1,311	
Other comprehensive loss for the financial period, net of tax: - Foreign currency translation differences for foreign operations	-	-	(219)	-	(219)	-	(219)	
Total comprehensive (loss) / income for the financial period	-	-	(219)	1,310	1,091	1	1,092	
Balance as at 31 December 2013	135,588	(115,767)	26	18,022	37,869	20	37,889	

(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 2014.)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2014
(The figures have not been audited)

	NINE MONTHS ENDED 31 DECEMBER	
	2014	2013
	RM'000	RM'000
	Unaudited	Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	7,819	2,504
Adjustment for non-cash items:		
Bad debts written off	2	-
Depreciation of property, plant and equipment	398	369
Impairment losses on trade receivables	233	319
Interest income	(97)	(196)
Interest expense	799	741
Inventories written down	-	773
Inventories written off	949	-
Net gain on disposal of property, plant and equipment	(7)	(1)
Property, plant and equipment written off	30	423
Reversal of impairment losses on trade receivables	(159)	(428)
Net unrealised loss on foreign exchange	(298)	147
	<u>9,669</u>	<u>4,651</u>
Operating profit before working capital changes		
Net changes in assets	(7,132)	(2,187)
Net changes in liabilities	(9,402)	(882)
	<u>(6,865)</u>	<u>1,582</u>
Net cash (used in) / generated from operations		
Tax paid	(1,933)	(2,203)
	<u>(8,798)</u>	<u>(621)</u>
Net cash used in operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(219)	(294)
Proceeds from disposal of property, plant and equipment	98	1
Placement of fixed deposits pledged	(1,896)	(77)
Interest received	97	196
	<u>(1,920)</u>	<u>(174)</u>
Net cash used in investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Net drawdown of borrowings	7,246	341
Interest paid	(799)	(741)
	<u>6,447</u>	<u>(400)</u>
Net cash from / (used in) financing activities		
Net decrease in cash and cash equivalents	(4,271)	(1,195)
Cash and cash equivalents at 1 April 2014/2013**	(2,113)	(1,887)
Effect of foreign exchange on opening balance	502	55
	<u>(5,882)</u>	<u>(3,027)</u>
Cash and cash equivalents at 31 December 2014/2013**		

** 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 2014.)

Notes to the Interim Financial Report
For the Third Quarter Ended 31 December 2014

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 2014. 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 2014.

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 2014, 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>
Amendments to MFRS 10	Consolidated Financial Statements	1 January 2014
Amendments to MFRS 12	Disclosure of Interests in Other Entities	1 January 2014
Amendments to MFRS 127 (2011)	Consolidated and Separate Financial Statements	1 January 2014
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 136	Recoverable Amount Disclosures for Non-financial Assets	1 January 2014
Amendments to MFRS 139	Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21	Levies	1 January 2014

The adoption of the above standards that are applicable from the financial period beginning on 1 April 2014 is not expected to result in any material impact on the financial position and results of the Group and Company.

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 2014 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 during the current financial period under review.

8 Dividends paid

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

Notes to the Interim Financial Report
For the Third Quarter Ended 31 December 2014

9 Segmental reporting

The Group's reportable segments were identified as follows: -

- Business Performance Services - Provision of business performance improvement related services
- Trading & Distribution Services - Distribution and reselling of hardware and software and related services
- Digital & Infrastructure Services - Provision of a comprehensive range of tele/data communication, networking solutions and related services

Other non-reportable comprise operations related to investment holding.

Business Segments	Business Performance Services RM'000	Trading & Distribution Services RM'000	Digital & Infrastructure Services RM'000	Others RM'000	Eliminations RM'000	Total RM'000
<u>Nine Months Financial Period Ended 31 December 2014</u>						
External sales	27,289	728	51,676	-	-	79,693
Inter segment sales	-	-	462	-	(462)	-
Total Sales	27,289	728	52,138	-	(462)	79,693
Segment results	1,704	(109)	7,419	(493)	-	8,521
Interest expense						(799)
Interest Income						97
Profit before tax						7,819
Segment assets	14,330	871	59,894	8,840	-	83,935

**Nine Months Financial Period
Ended 31 December 2013**

External sales	22,474	4,493	25,803	(10)	-	52,760
Inter segment sales	-	-	70	1,000	(1,070)	-
Total Sales	22,474	4,493	25,873	990	(1,070)	52,760
Segment results	(1,527)	496	4,149	(69)	-	3,049
Interest expense						(741)
Interest Income						196
Profit before tax						2,504
Segment assets	15,695	2,375	44,798	9,469	-	72,337

10 Related Party Disclosures

Significant related party transactions are as follows:-

	INDIVIDUAL QUARTER THREE MONTHS ENDED 31 DECEMBER		CUMULATIVE PERIOD NINE MONTHS ENDED 31 DECEMBER	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Sale of goods and services to related companies	7,725	2,416	22,229	12,939
Purchase of goods and services from related companies	10	60	77	152
Management fees to ultimate holding company	120	120	360	360
Interest paid to related company	13	-	13	-
Interest paid to immediate holding company	-	1	-	1

11 Carrying amount of revalued assets

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

12 Subsequent events

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

15 Capital commitments

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

Additional information required by Bursa Securities Listing Requirements
For the Third Quarter Ended 31 December 2014

1 Detailed analysis of performance

The Group recorded RM33.78 million of revenue in the current quarter under review, an increase by RM15.92 million from RM17.86 million in the corresponding quarter of the preceding financial year.

For the financial period under review, the Group's revenue increased by RM26.93 million compared to the corresponding financial period 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 31 DECEMBER			NINE MONTHS ENDED 31 DECEMBER		
	2014	2013	Variance	2014	2013	Variance
	RM'000	RM'000	%	RM'000	RM'000	%
Business Performance Services	10,558	8,566	23.3	27,289	22,474	21.4
Trading & Distribution Services	415	2,327	(82.2)	728	4,493	(83.8)
Digital & Infrastructure Services	22,808	7,019	224.9	52,138	25,873	101.5
Others	-	1,000	-	-	990	-
	<u>33,781</u>	<u>18,912</u>	<u>78.6</u>	<u>80,155</u>	<u>53,830</u>	<u>48.9</u>
Less : Inter Segment Revenue	-	(1,050)		(462)	(1,070)	
Total Group Revenue	<u>33,781</u>	<u>17,862</u>	<u>89.1</u>	<u>79,693</u>	<u>52,760</u>	<u>51.0</u>

The increase in revenue in Business Performance Services segment of RM1.99 million for the current quarter and RM4.82 million for the current financial period was mainly due to higher billings contributed from a subsidiary in Thailand.

The Trading & Distribution Services segment recorded a decrease in revenue by RM1.91 million and RM3.77 million during the current quarter and financial period respectively was due to lower orders secured.

The Digital & Infrastructure Services segment has a significant improvement in the revenue recorded during the current quarter and financial period respectively. The increase in revenue was mainly due to the fulfilment of a sizeable order secured from a new customer during the current quarter.

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

	INDIVIDUAL QUARTER			CUMULATIVE PERIOD		
	THREE MONTHS ENDED 31 DECEMBER			NINE MONTHS ENDED 31 DECEMBER		
	2014	2013	Variance	2014	2013	Variance
	RM'000	RM'000	%	RM'000	RM'000	%
Business Performance Services	479	(1,092)	143.9	1,527	(1,773)	186.1
Trading & Distribution Services	(29)	402	-	(110)	547	-
Digital & Infrastructure Services	3,400	477	612.8	7,258	4,184	73.5
Others	130	(199)	165.3	(856)	(454)	(88.5)
Profit/(Loss) before tax	<u>3,980</u>	<u>(412)</u>	<u>1,066.0</u>	<u>7,819</u>	<u>2,504</u>	<u>212.3</u>

Comparing the current quarter against the corresponding quarter of the preceding financial year, the Group's profit before tax has increased by RM4.39 million. The Digital and Infrastructure Services segment achieved a significant increase in the profit before tax for the current quarter mainly due to higher revenue recorded. The Business Performance Services segment's profit before tax increased during the current quarter mainly attributable to the improved gross profit margin. The Trading & Distribution Services segment recorded a loss before tax against a profit before tax which was due to lower revenue recorded during the current quarter and period compared to the preceding financial year.

2 Variation of results against preceding quarter

	3 months ended 31.12.2014 RM'000	3 months ended 30.09.2014 RM'000
Revenue	<u>33,781</u>	<u>28,469</u>
Profit before tax	<u>3,980</u>	<u>4,653</u>

The Group recorded a lower profit before tax of RM3.98 million for the current quarter under review against a profit before tax of RM4.65 million in the immediate preceding quarter. The decrease in profit was mainly due to lower profit margins recorded across the Group's business segments during the current quarter under review.

3 Prospects

The Board is optimistic that the Group's performance will remain positive through the final quarter of the current financial year.

**Additional information required by Bursa Securities Listing Requirements
 For the Third Quarter Ended 31 December 2014**

4 Profit forecast

Not applicable.

5 Tax expense

	INDIVIDUAL QUARTER THREE MONTHS ENDED 31 DECEMBER		CUMULATIVE PERIOD NINE MONTHS ENDED 31 DECEMBER	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Current tax expense				
- Malaysian taxation	996	265	1,949	1,207
- Foreign taxation	192	5	347	67
	-	-	-	-
Over provision in prior year				
- Malaysian taxation	(216)	(85)	(216)	(85)
- Foreign taxation	-	4	-	4
	<u>972</u>	<u>189</u>	<u>2,080</u>	<u>1,193</u>

The Group's effective tax rate for the current financial period 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

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

7 Borrowings and debts securities

The Group's bank borrowings as at 31 December 2014 are as follows:

	RM'000
Short term bank borrowings - secured	
- Denominated in RM	20,483
- Denominated in Thai Baht	1,482
Long term bank borrowings - secured	
- Denominated in RM	295
- Denominated in Thai Baht	83
	<u>22,343</u>

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:

	31.12.2014 RM'000	30.09.2014 RM'000
Total retained profits of the Group: -		
- Realised	33,545	30,595
- Unrealised	121	94
	<u>33,666</u>	<u>30,689</u>
Less: Consolidation adjustments	(9,643)	(9,643)
Total Group retained profits as per consolidated financial statements	<u>24,023</u>	<u>21,046</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

There is no pending material litigation as at the date of this announcement.

10 Dividends

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

**Additional information required by Bursa Securities Listing Requirements
 For the Third Quarter Ended 31 December 2014**

11 Earnings/(Loss) per ordinary share

(a) Basic earnings/(loss) per ordinary share

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

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	THREE MONTHS ENDED 31		NINE MONTHS ENDED 31	
	DECEMBER		DECEMBER	
	2014	2013	2014	2013
Profit/(Loss) after tax and non-controlling interests (RM'000)	2,977	(602)	5,708	1,310
WA number of ordinary shares in issue ('000)	1,355,877	1,355,877	1,355,877	1,355,877
Basic earnings/(loss) per ordinary share (sen)	0.22	(0.04)	0.42	0.10

(b) Fully diluted earnings per ordinary share

The Group has no potential ordinary shares in issue as at 31 December 2014 and therefore, diluted earnings per share has not been presented.

12 Profit/(Loss) before tax

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	THREE MONTHS ENDED 31		NINE MONTHS ENDED 31	
	DECEMBER		DECEMBER	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) before tax is arrived at after charging: -				
Bad debts written off	-	-	2	-
Depreciation of property, plant and equipment	121	122	398	369
Impairment losses on trade receivables	(40)	279	233	319
Interest expenses	315	279	799	741
Inventories written down	-	200	-	773
Inventories written off	333	-	949	-
Property, plant and equipment written off	3	17	30	423
Realised loss on foreign currency transactions	312	44	279	71
Unrealised loss on foreign currency translation	270	132	281	169
And crediting: -				
Gain on disposal of property, plant and equipment	7	1	7	1
Interest income	41	85	97	196
Reversal of impairment losses on				
- trade receivables	-	118	159	428
Realised gain on foreign currency transactions	-	-	5	18
Unrealised gain on foreign currency translation	-	-	579	22