

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016
 (The figures have not been audited)

	INDIVIDUAL QUARTER THREE MONTHS ENDED 31 MARCH		CUMULATIVE PERIOD TWELVE MONTHS ENDED 31 MARCH	
	2016 RM'000 Unaudited	2015 RM'000 Audited	2016 RM'000 Unaudited	2015 RM'000 Audited
Revenue	15,702	22,179	73,310	101,872
Cost of sales	9,926	427	(29,427)	(57,296)
Gross profits	25,628	22,606	43,883	44,576
Other operating income	(374)	997	1,154	2,107
Other operating expenses	(28,557)	(23,646)	(45,225)	(38,021)
Finance costs	(230)	(514)	(1,074)	(1,400)
(Loss) / Profit before tax	(3,533)	(557)	(1,262)	7,262
Tax income / (expense)	3,557	17	2,663	(2,063)
(Loss) / Profit for the financial quarter / year	24	(540)	1,401	5,199
Other comprehensive (loss) / income , net of tax - Item that may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operations	(1,588)	(20)	(1,271)	42
Other comprehensive (loss) / income for the financial quarter / year, net of tax	(1,588)	(20)	(1,271)	42
Total comprehensive (loss) / income for the financial quarter / year	(1,564)	(560)	130	5,241
(Loss) / Profit attributable to:-				
Owners of the Parent	25	(566)	1,403	5,142
Non-controlling interest	(1)	26	(2)	57
(Loss) / Profit for the financial quarter / year	24	(540)	1,401	5,199
Total comprehensive (loss) / income attributable to:-				
Owners of the Parent	(2,265)	(586)	132	5,184
Non-controlling interest	(1)	26	(2)	57
Total comprehensive (loss) / income for the financial quarter / year	(1,564)	(560)	130	5,241
(LPS) / EPS attributable to Owners of the Parent (sen) - Basic	0.00	(0.04)	0.10	0.38

(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 2015.)

DIVERSIFIED GATEWAY SOLUTIONS BERHAD ("DGSB") (675362-P)

Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2016**

	As at 31.03.2016 RM'000 Unaudited	As at 31.03.2015 RM'000 Audited
ASSETS		
Non-Current Assets		
Property, plant and equipment	5,457	1,624
Goodwill	5,738	7,375
Deferred tax assets	3,653	498
Long Term trade receivables	6,077	-
	<u>20,925</u>	<u>9,497</u>
Current Assets		
Inventories	3,694	9,643
Trade receivables	19,599	17,755
Other receivables, deposits and prepayments	10,531	9,677
Amounts owing by related companies	8,500	13,114
Current tax assets	3,697	2,073
Cash and cash equivalents	16,878	22,114
	<u>62,899</u>	<u>74,376</u>
TOTAL ASSETS	<u>83,824</u>	<u>83,873</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Parent		
Share capital	135,588	135,588
Reverse acquisition reserve	(115,767)	(115,767)
Exchange translation reserve	(1,497)	(226)
Retained earnings	24,860	23,457
	<u>43,184</u>	<u>43,052</u>
Non-controlling interest	76	78
TOTAL EQUITY	<u>43,260</u>	<u>43,130</u>
Non-Current Liabilities		
Borrowings	529	327
Provision for post-employment benefits	495	1,763
Deferred tax liabilities	192	-
	<u>1,216</u>	<u>2,090</u>
Current Liabilities		
Trade payables	5,309	8,078
Other payables, deposits and accruals	12,527	11,806
Amounts owing to ultimate holding company	4,462	4,158
Amount due to holding company	4,212	532
Amounts owing to related companies	2,127	2,101
Borrowings	10,711	11,960
Current tax payables	-	18
	<u>39,348</u>	<u>38,653</u>
TOTAL LIABILITIES	<u>40,564</u>	<u>40,743</u>
TOTAL EQUITY AND LIABILITIES	<u>83,824</u>	<u>83,873</u>
Net assets per share (sen)	<u>3.18</u>	<u>3.18</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 2015.)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016**
(The figures have not been audited)

	Attributable to owners of the Parent						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		
Unaudited							
<u>Twelve Months Financial Year Ended 31 March 2016</u>							
Balance as at 1 April 2015	135,588	(115,767)	(226)	23,457	43,052	78	43,130
Profit / (Loss) after tax for the financial year	-	-	-	1,403	1,403	(2)	1,401
Other comprehensive loss for the financial year, net of tax: - Foreign currency translation differences for foreign operations	-	-	(1,271)	-	(1,271)	-	(1,271)
Total comprehensive (loss) / income for the financial year	-	-	(1,271)	1,403	132	(2)	130
Balance as at 31 March 2016	135,588	(115,767)	(1,497)	24,860	43,184	76	43,260

	Attributable to owners of the Parent						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		
Audited							
<u>Twelve Months Financial Year Ended 31 March 2015</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 year	-	-	-	5,142	5,142	57	5,199
Other comprehensive income for the financial year, net of tax: - Foreign currency translation differences for foreign operations	-	-	42	-	42	-	42
Total comprehensive income for the financial year	-	-	42	5,142	5,184	57	5,241
Balance as at 31 March 2015	135,588	(115,767)	(226)	23,457	43,052	78	43,130

(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 2015.)

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016
(The figures have not been audited)

	TWELVE MONTHS ENDED 31 MARCH	
	2016	2015
	RM'000	RM'000
	Unaudited	Audited
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / Profit before tax	(1,262)	7,262
<u>Adjustment for non-cash items:</u>		
Bad debts recovered	(4)	-
Bad debts written off	222	-
Depreciation of property, plant and equipment	2,903	565
Impairment losses on goodwill	1,637	650
Impairment losses on trade receivables	738	770
Interest income	(361)	(361)
Interest expense	1,012	1,294
Inventories written off	1,384	1,339
Net gain on disposal of property, plant and equipment	-	(7)
Property, plant and equipment written off	-	30
Reversal of impairment losses on trade receivables	(10)	(515)
Provision for post-employment benefits	(1,660)	354
Net unrealised gain on foreign exchange	(1,316)	(458)
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Operating profit before working capital changes	3,283	10,923
Net changes in assets	(11,887)	(3,405)
Net changes in liabilities	(1,208)	(735)
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Net cash generated (used in) / from operations	(9,812)	6,783
Tax paid	(2,564)	(2,730)
Tax refunded	301	19
	<hr/>	<hr/>
Net cash (used in) / from operating activities	(12,075)	4,072
CASH FLOWS FROM INVESTING ACTIVITIES		
Advances from ultimate holding company	2,882	617
Advances from immediate holding company	-	533
Advances from related companies	4,641	66
Purchase of property, plant and equipment	(195)	(409)
Proceeds from disposal of property, plant and equipment	-	98
Placement of fixed deposits pledged	(549)	(2,604)
Interest received	361	361
	<hr/>	<hr/>
Net cash used in investing activities	7,140	(1,338)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net drawdown / (repayment) of borrowings	9,353	(2,470)
Drawdown of hire purchase payables	543	45
Repayment of hire purchase payables	(237)	(291)
Interest paid	(1,012)	(1,294)
	<hr/>	<hr/>
Net cash from / (used in) financing activities	8,647	(4,010)
Net change in cash and cash equivalents	3,712	(1,276)
Cash and cash equivalents at 1 April 2015/2014**	(3,581)	(2,113)
Effect of foreign exchange on opening balance	1,204	(192)
	<hr/>	<hr/>
Cash and cash equivalents at 31 March 2016/2015**	1,335	(3,581)

** 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 2015.)

Notes to the Interim Financial Report
For the Fourth Quarter Ended 31 March 2016

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 2015. 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 2015.

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 2015, except for the adoption of the following MFRS, IC Interpretation and Amendments to MFRS during the current financial year: -

<u>Title</u>	<u>Effective for financial year beginning on or after</u>
Amendments to MFRS 119 <i>Defined Benefit Plans: Employee Contributions</i>	1 July 2014
Amendments to MFRSs <i>Annual Improvements 2010 - 2012 Cycle</i>	1 July 2014
Amendments to MFRSs <i>Annual Improvements 2011 - 2013 Cycle</i>	1 July 2014
Amendments to MFRS 101 <i>Disclosure Initiative</i>	1 January 2014
MFRS 14 <i>Regulatory Deferral Accounts Employee Contributions</i>	1 January 2016
Amendments to MFRS 116 and MFRS 138 <i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>	1 January 2016
Amendments to MFRS 11 <i>Accounting for Acquisitions of Interests in Joint Operations</i>	1 January 2016
Amendments to MFRS 127 <i>Equity Method in Separate Financial Statements</i>	1 January 2016
Amendments to MFRSs <i>Annual Improvements to 2012 - 2014 Cycle</i>	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128 <i>Investment Entities: Applying the Consolidation Exception</i>	1 January 2016
MFRS 9 <i>Financial Instruments</i>	1 January 2018
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associates or Joint Venture</i>	Deferred

The adoption of the above standards that are applicable from the financial period beginning on 1 April 2015 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 2015 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 year 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 year 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 year 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 year under review.

8 Dividends paid

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

Notes to the Interim Financial Report
 For the Fourth Quarter Ended 31 March 2016

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 operating segments that do not constitute reportable segments comprise 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
Twelve Months Financial Year Ended 31 March 2016						
External sales	39,268	1,342	32,700	-	-	73,310
Inter segment sales	-	-	8,385	-	(8,385)	-
Total Sales	39,268	1,342	41,085	-	(8,385)	73,310
Segment results	(597)	(222)	2,549	(2,341)	-	(611)
Interest expense	-	-	-	-	-	(1,012)
Interest Income	-	-	-	-	-	361
Profit before tax	-	-	-	-	-	(1,262)
Segment assets	30,356	682	46,060	6,726	-	83,824

Twelve Months Financial Year Ended 31 March 2015

External sales	38,064	1,296	62,512	-	-	101,872
Inter segment sales	-	-	462	-	(462)	-
Total Sales	38,064	1,296	62,974	-	(462)	101,872
Segment results	1,704	(109)	7,419	(493)	-	8,195
Interest expense	-	-	-	-	-	(1,294)
Interest Income	-	-	-	-	-	361
Profit before tax	-	-	-	-	-	7,262
Segment assets	23,178	926	51,587	8,182	-	83,873

10 Related Party Disclosures

Significant related party transactions are as follows:-

	INDIVIDUAL QUARTER THREE MONTHS ENDED 31 MARCH		CUMULATIVE PERIOD TWELVE MONTHS ENDED 31 MARCH	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Sale of goods and services to related companies	1,201	3,896	10,100	26,125
Purchase of goods and services from related companies	47	58	111	135
Management fees to ultimate holding company	120	120	480	480

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

Notes to the Interim Financial Report
For the Fourth Quarter Ended 31 March 2016

11 Carrying amount of revalued assets

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

12 Subsequent events

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

14 Changes in contingent liabilities or contingent assets

Corporate Guarantee granted by the following Company during the current financial period under review is as follows:-

	RM'000
Diversified Gateway Solutions Berhad	
- to financial institution for facilities granted to subsidiaries	<u>16,100</u>
Diversified Gateway Berhad	
- to provide trade lines to related companies	<u>226</u>

15 Capital commitments

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

**Additional information required by Bursa Securities Listing Requirements
For the Fourth Quarter Ended 31 March 2016**

1 Detailed analysis of performance

The Group recorded RM15.70 million of revenue in the current quarter under review, a decrease by RM6.45 million from RM22.18 million in the corresponding quarter of the preceding financial year.

For the financial period under review, the Group's revenue decreased by RM28.56 million compared to the corresponding period of the preceding financial year.

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

	INDIVIDUAL QUARTER THREE MONTHS ENDED			CUMULATIVE PERIOD TWELVE MONTHS ENDED		
	2016	2015	Variance	2016	2015	Variance
	RM'000	RM'000	%	RM'000	RM'000	%
Business Performance Services	11,725	10,775	8.8	39,268	38,064	3.2
Trading & Distribution Services	380	568	(33.1)	1,342	1,296	3.5
Digital & Infrastructure Services	3,580	10,836	(67.0)	41,085	62,974	(34.8)
	15,685	22,179	(29.3)	81,695	102,334	(20.2)
Less : Inter Segment Revenue	17	-		(8,385)	(462)	
Total Group Revenue	15,702	22,179	(29.2)	73,310	101,872	(28.0)

The increase in revenue of the Business Performance Services segment by RM0.95 million was due to higher revenue from a Thailand subsidiary compared to the corresponding quarter of the preceding financial year. Full year revenue was marginally higher by RM1.20 million compared to preceding financial year due mainly to higher billings contributed from a subsidiary in Thailand.

The Trading & Distribution Services segment recorded RM0.38 million revenue during the quarter under review.

Digital & Infrastructure Services segment recorded a decline in revenue by RM7.26 million during the quarter under review compared to the corresponding quarter of the immediate preceding financial year. Full year revenue was also lower by RM21.89 million.

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

	INDIVIDUAL QUARTER THREE MONTHS ENDED 31 MARCH			CUMULATIVE PERIOD TWELVE MONTHS ENDED 31 MARCH		
	2016	2015	Variance	2016	2015	Variance
	RM'000	RM'000	%	RM'000	RM'000	%
Business Performance Services	323	(20)	1,715.0	(597)	1,507	(139.6)
Trading & Distribution Services	(36)	14	-	(225)	(96)	-
Digital & Infrastructure Services	(4,434)	107	(4,243.9)	2,390	7,365	(67.5)
Others	614	(658)	193.3	(2,830)	(1,514)	(86.9)
(Loss) / Profit before tax	(3,533)	(557)	(534.3)	(1,262)	7,262	(117.4)

For the quarter under review, the Group's loss before tax increased by RM3.58 million compared to the corresponding quarter of the immediate preceding year mainly due to higher depreciation by RM2.34 million as a result of reclassification of spare items to fixed assets and fair value loss on long term trade receivable of RM1.5 million in Digital and Infrastructure Services segment and goodwill impairment of RM1.64 million.

2 Variation of results against preceding quarter

	3 months ended 31.03.2016 RM'000	3 months ended 31.12.2015 RM'000
Revenue	15,702	20,637
(Loss) / Profit before tax	(3,533)	982

The Group's revenue for the quarter was lower compared to the immediate preceding quarter due to weak market sentiments across the business segments. Consequently, resulted in loss before tax of RM4.14 million for the current quarter under review as compared to the immediate preceding quarter of profit before tax at RM0.98 million.

3 Prospects

The Board is cautious of the Group's financial performance for the remaining quarter of the current financial year.

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

**Additional information required by Bursa Securities Listing Requirements
For the Fourth Quarter Ended 31 March 2016**

4 Profit forecast

Not applicable.

5 Tax (income) / expense

	INDIVIDUAL QUARTER THREE MONTHS ENDED 31 MARCH		CUMULATIVE PERIOD TWELVE MONTHS ENDED 31 MARCH	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Current tax expense				
- Malaysian taxation	(394)	172	75	2,121
- Foreign taxation	71	41	405	388
(Over) / Under provision in prior year				
- Malaysian taxation	3	(2)	(90)	(218)
- Foreign taxation	-	1	184	1
Deferred tax	(3,237)	(229)	(3,237)	(229)
	<u>(3,557)</u>	<u>(17)</u>	<u>(2,663)</u>	<u>2,063</u>

The Group's effective tax rate for the current financial year is disproportionate to the statutory tax rate due to recognition of deferred tax assets of RM2,960,771 arising from unabsorbed capital allowances and unutilised tax losses carried forward of a subsidiary.

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 March 2016 are as follows:

	RM'000
Short term bank borrowings - secured	
- Denominated in RM	9,617
- Denominated in Thai Baht	1,094
Long term bank borrowings - secured	
- Denominated in RM	517
- Denominated in Thai Baht	12
	<u>11,240</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:

	31.03.2016 RM'000	31.03.2015 RM'000
Total retained profits of the Group: -		
- Realised	33,351	33,727
- Unrealised	3,439	23
	<u>36,790</u>	<u>33,750</u>
Less: Consolidation adjustments	(11,930)	(10,293)
Total Group retained profits as per consolidated financial statements	<u>24,860</u>	<u>23,457</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.

**Additional information required by Bursa Securities Listing Requirements
 For the Fourth Quarter Ended 31 March 2016**

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.

11 Profit per ordinary share

(a) Basic profit per ordinary share

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

	INDIVIDUAL QUARTER THREE MONTHS ENDED 31 MARCH		CUMULATIVE PERIOD TWELVE MONTHS ENDED 31 MARCH	
	2016	2015	2016	2015
Profit after tax and non-controlling interests (RM'000)	25	(566)	1,403	5,142
WA number of ordinary shares in issue ('000)	1,355,877	1,355,877	1,355,877	1,355,877
Basic profit per ordinary share (sen)	0.00	(0.04)	0.10	0.38

(b) Fully diluted earnings per ordinary share

The Group has no potential ordinary shares in issue as at 31 March 2016 and therefore, diluted earnings per share has not been presented.

12 (Loss) / Profit before tax

	INDIVIDUAL QUARTER THREE MONTHS ENDED 31 MARCH		CUMULATIVE PERIOD TWELVE MONTHS ENDED 31 MARCH	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
(Loss) / Profit before tax is arrived at after charging: -				
Bad debts written off	222	-	222	-
Depreciation of property, plant and equipment	2,508	167	2,903	565
Impairment losses on goodwill	1,637	650	1,637	650
Impairment losses on trade receivables	70	537	738	770
Interest expenses	226	495	1,012	1,294
Inventories written off	460	390	1,384	1,339
Property, plant and equipment written off	-	-	-	30
Realised loss on foreign currency transactions	(779)	228	1,163	507
Unrealised loss on foreign currency translation	607	646	676	927
And crediting: -				
Bad debts recovered	-	-	4	-
Gain on disposal of property, plant and equipment	-	-	-	7
Interest income	236	264	361	361
Reversal of impairment losses on - trade receivables	241	356	1,111	515
Realised gain on foreign currency transactions	248	21	276	26
Unrealised gain on foreign currency translation	(108)	806	238	1,385