

FORMIS RESOURCES BERHAD (530701-T)
Incorporated in Malaysia

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2009
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31.12.2009 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.12.2008 RM'000	CURRENT PERIOD-TO-DATE 31.12.2009 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.12.2008 RM'000
Revenue	72,806	86,411	231,413	290,096
Cost of sales	(54,197)	(70,834)	(180,901)	(225,827)
Gross profits	18,609	15,577	50,512	64,269
Other operating income	610	2,309	6,271	5,450
Other operating expenses	(12,582)	(16,144)	(40,790)	(45,306)
Finance costs	(1,313)	(1,530)	(4,453)	(4,297)
Profit before tax	5,324	212	11,540	20,116
Tax expense	(182)	342	(2,931)	(5,485)
Profit for the financial period	5,142	554	8,609	14,631
Attributable to:-				
Equity holders of the parent	5,058	457	7,621	12,395
Minority interest	84	97	988	2,236
Profit for the financial period	5,142	554	8,609	14,631
Earnings per ordinary share (sen)				
-Basic	2.72	0.25	4.10	6.74

(The Condensed Consolidated Income Statement should be read in conjunction with the Annual Audited Financial Statements for the financial year ended 31 March 2009.)

FORMIS RESOURCES BERHAD (530701-T)
Incorporated in Malaysia
CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2009

	Unaudited	Audited
	As at End of Current	As at Preceding
	Financial Quarter	Financial Year End
	31.12.2009	31.03.2009
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	4,118	4,957
Software development costs	2,246	2,336
Other investments	1,429	5,850
Investment property	32	32
Other receivables	9,826	13,800
Goodwill	146,469	146,469
Deferred tax assets	1,038	1,177
	<u>165,158</u>	<u>174,621</u>
Current Assets		
Other investments	5,686	4,135
Inventories	25,949	28,446
Trade receivables	85,425	86,122
Other receivables, deposits and prepayments	24,487	32,854
Current tax assets	2,818	2,746
Cash and cash equivalents	79,722	81,821
	<u>224,087</u>	<u>236,124</u>
Assets of disposal groups classified as held for sale	97,090	97,090
TOTAL ASSETS	<u>486,335</u>	<u>507,835</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	185,901	185,901
Other reserves	9,662	10,707
Retained earnings	19,471	11,850
	<u>215,034</u>	<u>208,458</u>
Minority interest	6,339	5,351
TOTAL EQUITY	<u>221,373</u>	<u>213,809</u>
Non-Current Liabilities		
Borrowings	44,572	54,572
Hire purchase and lease creditors	11,196	14,016
Deferred tax liabilities	1,205	1,192
	<u>56,973</u>	<u>69,780</u>
Current Liabilities		
Trade payables	28,832	35,229
Other payables, deposits and accruals	42,478	55,361
Borrowings	24,945	19,166
Hire purchase and lease creditors	14,608	15,981
Current tax payables	123	1,507
	<u>110,986</u>	<u>127,244</u>
Liabilities of disposal groups classified as held for sale	97,003	97,002
TOTAL LIABILITIES	<u>264,962</u>	<u>294,026</u>
TOTAL EQUITY AND LIABILITIES	<u>486,335</u>	<u>507,835</u>

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Audited Financial Statements for the financial year ended 31 March 2009.)

FORMIS RESOURCES BERHAD (530701-T)
 Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2009**
 (The figures have not been audited)

	<----- Attributable to equity holders of the Company ----->						Distributable
	<----- Non-distributable ----->						
	Ordinary shares RM'000	Irredeemable Cumulative Convertible Preference Shares ("ICPS") RM'000	Share premium RM'000	Exchange translation reserve RM'000	Retained earnings RM'000	Minority interest RM'000	Total equity RM'000
<u>Nine Months Financial Period Ended 31 December 2009</u>							
Balance as at 1 April 2009	185,901	-	9,744	963	11,850	5,351	213,809
Exchange fluctuation reserves arising from translation of foreign subsidiary company during the financial period	-	-	-	(1,045)	-	-	(1,045)
Net profit for the financial period	-	-	-	-	7,621	988	8,609
Balance as at 31 December 2009	<u>185,901</u>	<u>-</u>	<u>9,744</u>	<u>(82)</u>	<u>19,471</u>	<u>6,339</u>	<u>221,373</u>

FORMIS RESOURCES BERHAD (530701-T)
Incorporated in Malaysia

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2009
(The figures have not been audited) (Cont')

	<----- Attributable to equity holders of the Company ----->						Total equity RM'000
	<----- Non-distributable ----->			Distributable			
	Ordinary shares RM'000	Irredeemable Cumulative Convertible Preference Shares ("ICPS") RM'000	Share premium RM'000	Exchange translation reserve RM'000	Retained earnings RM'000	Minority interest RM'000	
<u>Nine Months Financial Period Ended 31 December 2008</u>							
Balance as at 1 April 2008	183,771	2,130	9,744	212	2,790	11,228	209,875
Exchange fluctuation reserves arising from translation of foreign subsidiary company during the financial period	-	-	-	617	-	-	617
Net profit for the financial period	-	-	-	-	12,395	2,236	14,631
Conversion of ICPS	1	(1)	-	-	-	-	-
Acquisition of minority interest	-	-	-	-	-	(5,756)	(5,756)
Dividends to minority shareholders	-	-	-	-	-	(2,100)	(2,100)
Balance as at 31 December 2008	<u>183,772</u>	<u>2,129</u>	<u>9,744</u>	<u>829</u>	<u>15,185</u>	<u>5,608</u>	<u>217,267</u>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Statements for the financial year ended 31 March 2009.)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2009

	CUMULATIVE QUARTER	
	CURRENT	PRECEDING YEAR
	PERIOD-TO- DATE 31.12.2009 RM'000	CORRESPONDING PERIOD 31.12.2008 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	11,540	20,116
Adjustment for non-cash items	4,351	4,445
	<u>15,891</u>	<u>24,561</u>
Operating profit before working capital changes	15,891	24,561
Net changes in assets	15,368	25,225
Net changes in liabilities	(19,280)	(27,214)
	<u>11,979</u>	<u>22,572</u>
Net cash generated from operations	11,979	22,572
Interest received from overdue accounts	-	19
Tax paid	(4,688)	(2,664)
Tax refund	476	1,698
	<u>7,767</u>	<u>21,625</u>
Net cash from operating activities	7,767	21,625
CASH FLOWS FROM INVESTING ACTIVITIES		
Placement of fixed deposits pledged	(2,316)	(5,905)
Purchase of additional shares from minority shareholders	-	(12,312)
Other investments	1,875	(387)
Interest received	765	831
Dividend received	40	19
	<u>364</u>	<u>(17,754)</u>
Net cash from / (used in) investing activities	364	(17,754)
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayment) / Drawdown from financial institutions	(7,678)	26,023
Interest paid	(3,966)	(3,934)
Dividend paid to minority shareholders of a subsidiary company	-	(2,100)
	<u>(11,644)</u>	<u>19,989</u>
Net cash (used in) / from financing activities	(11,644)	19,989
Net (decrease) / increase in cash and cash equivalents	(3,513)	23,860
Cash and cash equivalents at 1 April 2009/2008*	68,325	40,014
	<u>64,812</u>	<u>63,874</u>
Cash and cash equivalents at 31 December 2009/2008*	64,812	63,874

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

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Audited Financial Statements for the financial year ended 31 March 2009.)

**Notes to the Interim Financial Report
For the 3rd Quarter Ended 31 December 2009**

1 Basis of preparation

The interim financial statements are unaudited and have 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.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 March 2009. The explanatory notes attached to the interim financial statements 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 2009.

2 Changes in accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 31 March 2009.

The followings Amendments to FRSs, new FRSs and IC Interpretations have been issued as at the date of this report but are not yet effective and hence are not adopted by the Group:-

		For financial periods beginning on or after
Amendments to FRS 1 and FRS 127	First-time Adoption of Financial Reporting Standards and Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
Amendments to FRS 2	Share-based Payment: Vesting Conditions and Cancellations	1 January 2010
FRS 4	Insurance Contracts	1 January 2010
FRS 7	Financial Instruments : Disclosures	1 January 2010
FRS 8	Operating Segments	1 July 2009
FRS 123	Borrowing Costs	1 January 2010
FRS 139	Financial Instruments : Recognition and Measurement	1 January 2010
IC Interpretation 9	Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10	Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11	FRS 2 - Group and Treasury Share Transactions	1 January 2010
IC Interpretation 13	Customer Loyalty Programmes	1 January 2010
IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010

The Group plans to first adopt the above Amendments to FRS, new FRSs and IC Interpretations for the financial year ending 31 March 2011 except for FRS 4, Amendments to FRS 2, IC Interpretations 9, 11, 13 and 14 which are not relevant to the Group's operations. The Group does not expect any material financial impact arising from the adoption of these standards in the future.

By virtue of the exemption provided under Paragraph 44AB of FRS 7 and Paragraph 103AB of FRS 139, the impact of applying FRS 7 and FRS 139 on its financial statements upon first adoption of these standards as required by Paragraph 30(b) of FRS 108 is not disclosed.

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 2009 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.

**Notes to the Interim Financial Report
For the 3rd Quarter Ended 31 December 2009**

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 items affecting the assets, liabilities, equity, net income, or cash flows that are unusual because of 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

	IT business RM'000	Others RM'000	Adjustment/ Eliminations RM'000	Total RM'000
<u>Nine Months Financial Period Ended 31 December 2009</u>				
External sales	228,318	3,095	-	231,413
Inter segment sales	46,930	2,716	(49,646)	-
Total Sales	<u>275,248</u>	<u>5,811</u>	<u>(49,646)</u>	<u>231,413</u>
				-
Segment results	13,618	1,432	(309)	14,741
Interest expense				(3,966)
Interest Income				765
Profit before taxation				<u>11,540</u>
				-
<u>Nine Months Financial Period Ended 31 December 2008</u>				
External sales	286,537	3,559	-	290,096
Inter segment sales	35,201	24,918	(60,119)	-
Total sales	<u>321,738</u>	<u>28,477</u>	<u>(60,119)</u>	<u>290,096</u>
				-
Segment results	22,434	22,690	(21,924)	23,200
Interest expense				(3,934)
Interest Income				850
Profit before taxation				<u>20,116</u>
				-

10 Carrying amount of revalued assets

The valuation of property, plant and equipment has been brought forward without amendment from the previous audited financial statements.

**Notes to the Interim Financial Report
For the 3rd Quarter Ended 31 December 2009**

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

Corporate Guarantees granted by the following Companies for the current quarter under review are as follows:-

	RM'm
FRB	
- to financial institution for facilities granted to subsidiaries	<u>28.00</u>
FHB	
- to leasing party for leasing facilities to a subsidiary	<u>9.66</u>

Corporate Guarantees cancelled by the following Companies for the current quarter under review are as follows:-

FRB	
- to financial institution for facilities granted to subsidiaries	<u>2.99</u>
FHB	
- to financial institution for facilities granted to a subsidiary	2.95
- to leasing party for leasing facilities to a subsidiary	<u>9.81</u>

Saved as disclosed above, there were no other changes on contingent liabilities or contingent assets of the Group.

14 Capital commitments

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

**Additional information required by Bursa Securities Listing Requirements
For the 3rd Quarter Ended 31 December 2009**

1 Review of performance

The Group recorded RM72.8 million of revenue in the current quarter under review, a decrease of approximately 15.7% from RM86.4 million in the corresponding quarter of the preceding financial year.

The Group achieved a profit before tax of RM5.3 million for the current quarter under review, an increase of approximately RM5.1 million if compared to the corresponding quarter in the preceding financial year. The profit before tax for the current quarter under review has increased compared with the previous year's corresponding quarter which is mainly due to an improvement in gross profit margin and lower operating expenses incurred in the current quarter under review.

2 Variation of results against preceding quarter

	3 months ended 31.12.2009 RM'000	3 months ended 30.09.2009 RM'000
Profit before tax	5,324	1,388

Compared to the results against the preceding quarter, the group's profit before tax for the current quarter under review has increased by RM3.9 million. This is mainly due to an improvement of gross profit margin for some billings recorded in the current quarter under review.

3 Current year prospects

The Board of Directors expects the performance for the Group for the next financial quarter to be satisfactory.

4 Profit forecast

Not applicable.

5 Tax expense

	Current Year Quarter 31.12.2009 RM'000	Preceding Year Corresponding Quarter 31.12.2008 RM'000	Current Year-To-Date 31.12.2009 RM'000	Preceding Year Corresponding Period 31.12.2008 RM'000
Current period taxation				
Malaysian taxation	364	665	3,021	6,459
Foreign taxation	-	29	-	29
	<hr/> 364	<hr/> 694	<hr/> 3,021	<hr/> 6,488
Deferred taxation				
- origination and reversal of temporary differences	75	(155)	152	(122)
	<hr/> 439	<hr/> 539	<hr/> 3,173	<hr/> 6,366
Prior period taxation				
Malaysian taxation	(257)	(881)	(242)	(881)
	<hr/> 182	<hr/> (342)	<hr/> 2,931	<hr/> 5,485
	<hr/> -	<hr/> -	<hr/> -	<hr/> -

The Group's effective tax rate for the current financial quarter is lower than the statutory tax rate as certain subsidiaries have unused tax losses available brought forward from prior year to set-off against current year chargeable income.

**Additional information required by Bursa Securities Listing Requirements
For the 3rd Quarter Ended 31 December 2009**

6 Unquoted investments and properties

A Sale and Purchase Agreement (S&P) dated 29th September 2008 has been entered to dispose a 31 storey office building complex and a bungalow house for RM70,500,000. Pursuant to a Rescue Cum Restructuring Scheme undertaken by the Company in year 2001, the proceed from the sale of these properties is to be utilised to settle the outstanding bank borrowings of certain subsidiaries of the Group with no further recourse against any of the companies in the event of shortfall. Thus, the remaining of term loan will be waived by bank upon the completion of the sale transaction.

The sale of these properties has not been accounted for in the financial statements as at the date of this report. The request of extension of time by the purchaser to complete the purchase has lapsed. The Company has yet to hear from the purchaser.

7 Marketable securities

Details of disposal of quoted investments were as follows:

	3 months ended 31.12.2009 RM'000	Current Period-to-Date 31.12.2009 RM'000
Sales proceeds on disposal	2,999	5,312
Loss on disposal	(151)	(2,615)

As at 30 September 2009, the quoted investments included in other investments are as follows: -

	Long term RM'000	Short term RM'000	Total RM'000
Quoted shares in Malaysia, at cost	3,611	8,300	11,911
Quoted shares in Malaysia, at book value	1,272	5,686	6,958
Quoted shares in Malaysia, at market value	1,097	5,686	6,783

8 Status of corporate proposals

(a) The Share Sale Agreement ("SSA") dated 19th June 2008 entered into by the Company to dispose off its wholly-owned subsidiary, Dynamic Concept Resources Sdn Bhd has yet to be completed as at the date of this report.

(b) On 12 October 2009, the Company announced that Formis Holdings Berhad ("FHB"), a wholly-owned subsidiary of the Company, has entered into a conditional sale and purchase agreement with ISS Consulting Solutions Berhad ("ISS") :

(i) for the proposed reverse take-over of ISS via disposal of FHB of its entire equity interest held in Diversified Gateway Berhad ("DGB"), representing 90% of the total issued and paid-up share capital of DGB to ISS, comprising 567,000 ordinary shares of RM1.00 each in DGB for a total sale consideration of RM99.0 million ("Proposed RTO").

The total sale consideration is to be satisfied by the issuance of 990,000,000 new ordinary shares of RM0.10 each in ISS to FHB at an issue price of RM0.10 per new ISS share.

(ii) to distribute 185,900,199 new ISS shares to be received pursuant to the Proposed RTO by way of dividend-in-specie on the basis of one (1) new ISS share for every one (1) existing FRB share held, or equivalent to a dividend rate of 10% single-tier exempt dividend per share, credited as fully paid-up on the entitlement date, to be determined after completion of the aforementioned Proposed RTO.

On 30 December 2009, the Company announced that an application has been submitted by FHB and the other vendors, namely Lau Chi Chiang ("LCC") and Robin Lim Jin Hee ("RLJH"), together with the Company as the parties acting in concert with them, to the Securities Commission (Take-Overs and Mergers Department) ("SC") for an exemption from the obligation to undertake a mandatory take-over offer under the Code, to acquire all the remaining ISS Shares not already held by them upon completion of the Proposed RTO ("Proposed Exemption").

The Company further announced on 11 January 2010 that SC had vide its letter dated 6 January 2010 stated that it will consider the application for the Proposed Exemption upon the fulfillment of certain conditions. In addition, the SC has also approved the application by ISS for the proposed acquisition by ISS of the entire equity interest in DGB under the equity requirements for public companies.

On 7 January 2010, the Company announced that FHB together with LCC and RLJH and ISS have agreed to extend the cut-off date for the fulfillment of the conditions precedent under the SSA from 12 January 2010 to 30 April 2010.

On 9 February 2010, the Company announced that it has been informed by ISS that Bursa Malaysia Securities Berhad ("Bursa Securities") had vide its letter dated 8 February 2010 approved the proposed acquisition by ISS of the entire equity interest in DGB subject to certain conditions.

The listing of and quotation for the new ISS Shares on the ACE Market of Bursa Securities will commence on the next market day after, amongst others, receipt of confirmation from Bursa Malaysia Depository Sdn Bhd that the new ISS Shares are ready for crediting into the respective account holders.

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

Additional information required by Bursa Securities Listing Requirements
For the 3rd Quarter Ended 31 December 2009

9 Borrowings and debts securities

The Group's bank borrowings as at 31 December 2009 are as follows:

	RM'000
Short term bank borrowings	
- unsecured	14,369
- secured	107,576
	<u>121,945</u>
Long term bank borrowings	
- secured	44,572
Total borrowings	<u><u>166,517</u></u>

All borrowings are denominated in Ringgit Malaysia.

10 Off balance sheet financial instruments

As at 31 December 2009, the status of the call and put options between FHB and LCC & RL in relation to the balance 10% shares in DGB are as follows: -

Option exercisable by	No. of shares outstanding under the options	Exercise period
Put Option		
LCC & RL	63,000	Both LCC & RL shall only be entitled to exercise the put option at any time in an event of a change in certain substantial shareholders of Perduren (M) Berhad, the former ultimate holding company.
Call Option		
FHB	63,000	FHB shall only be entitled to exercise the call option in respect of not more than 63,000 ordinary shares in DGB at any one calendar year commencing from the first anniversary date of the Share Sale and Option Agreement.

Upon completion of the aforementioned Proposed Disposal, the call and put option will be automatically be terminated.

11 Changes in material litigation

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

12 Dividends

The Company has proposed to distribute 185,900,199 new ISS shares to be received pursuant to the Proposed Disposal by way of dividend-in-specie on the basis of one (1) new ISS share for every one (1) existing FRB share held, or equivalent to a dividend rate of 10% single-tier exempt dividend per share, credited as fully paid-up on the entitlement date to be determined after completion of the aforementioned Proposed Disposal.

13 Earnings per ordinary share

(a) Basic earnings per ordinary share

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

	3 months ended		Current period-to-date	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Profit after tax and minority interests (RM'000)	5,058	457	7,621	12,395
WA number of ordinary shares in issue ('000)	185,901	183,772	185,901	183,772
Basic earnings per ordinary share (sen)	<u>2.72</u>	<u>0.25</u>	<u>4.10</u>	<u>6.74</u>

(b) Fully diluted earnings per ordinary share

The Group has no potential ordinary shares in issue as at 31 December 2009 and therefore, diluted earnings per share have not been presented.

SUMMARY OF STATUS OF LEGAL CLAIMS AS AT 24 FEBRUARY 2010

A. MATERIAL LITIGATION AGAINST THE GROUP

No.	Parties to the Suit	Case / Summons No.	Court	Latest Status
1	Noordin bin Awang vs. Man Yau Plastics Factory (Malaysia) Sendirian Berhad ("MYPF")	Suit No.9/4-535/08	Penang Industrial Court	On 17 September 2009, the matter which was fixed for hearing on 5 October 2009 has been changed to mention on 5 October 2009. On 5 October 2009, the case was fixed for hearing on 19 – 20 July 2010.
2	Nik Roseli Mahmood vs. 1. Man Yau Holdings Berhad 2. Malaysian International Merchant Bankers	Suit No. S4-23-124-2001	Kuala Lumpur High Court	<p>Plaintiff is claiming unspecified general and special damages for defamation. The 2nd Defendant's application to strike out the case has been dismissed by the Senior Assistant Registrar. The 2nd Defendant's has appealed against the said decision. The Court has on 7 March 2005 dismissed the said appeal. The parties are currently waiting for the Court to set a date for case management.</p> <p>In the meantime, a bankruptcy search on the plaintiff has revealed that he has been made a bankrupt on 25 August 2004.</p> <p>As such, the above suit will not be able to proceed unless leave is obtained from the Insolvency Officer. To date, we have not received any such notice.</p>
3	Sierra Atlantic Sdn Bhd vs Com-Line Systems Sdn Bhd	Suit No. : S2-22-622-2008	Kuala Lumpur High Court	<p>On 11 January 2010, the case was adjourned for next case management on 24 February 2010 pending disposal of the Defendant's application to re-amend the defence.</p> <p>On 24 February 2010, the case was adjourned for next case management to be on 23 March 2010 pending the hearing of the Defendant's application to re-amend its defence which has been fixed on 10 March 2010.</p>

SUMMARY OF STATUS OF LEGAL CLAIMS AS AT 24 FEBRUARY 2010

B. MATERIAL LITIGATION FOR THE GROUP

No.	Parties to the Suit	Case / Summons No.	Court	Latest Status
1	Continuous Network Advisers Sdn. Bhd. vs. PCI Solutions (M) Sdn. Bhd. (Formerly known as CY Computer & Software House (M) Sdn. Bhd.)	Suit No. D8-22-1604-2003 Company Winding Up No. D2-28-105-2004	Kuala Lumpur High Court Kuala Lumpur High Court	Judgement for the sum of RM365,090.00 plus interest at the rate of 8% per annum on the sum of RM365,090.00 to be calculated from 7 May 2003 till the date of full realisation and costs was obtained against the Defendant on 27 October 2003 upon their failure to enter an appearance. An application by a third party to wind up the Defendant has been granted on 13 May 2004. Proof of debt form filed on 3 March 2005.
2	First Solution Sdn. Bhd. vs. Neuronet (Malaysia) Sdn. Bhd.	Suit No. D6-22-1986-00	Kuala Lumpur High Court	On 22 January 2010, the matter was adjourned to 23 February 2010 for decision. On 23 February 2010, the Court has allowed FSSB's claim against NSB as follows : (a) the sum of RM389,941.00; (b) the sum of RM71,749.13 being interest as at 8-3-2000; (c) interest at that rate of 1.5% per month on the sum of RM389,941.00 from 9-3-2000 until 23-2-2010; (d) interest at the rate of 8% per annum on the sum of RM389,941.00 from 23-2-2010 until date of full and final settlement; and (e) costs incurred to be taxed by the High Court.
3	Formis Network Services Sdn. Bhd. vs. Binet Marketing Sdn. Bhd.	Suit No. D6-22-600-2004	Kuala Lumpur High Court	By agreement between the parties, pleadings in this matter are to be deemed closed 14 days after written notice by either party. This agreement was reached to allow Binet to consider their position, in light of the aforesaid application having been allowed. To date, neither party has issued such notice.
4	Com-Line Systems Sdn. Bhd. ("CLS") vs. Xybase Sdn. Bhd. ("Xybase")	Suit No. S4-52-3507-2008 Suit No. MT5-24-570-2009	Shah Alam Sessions Court Shah Alam High Court	On 7 December 2009, the matter was again postponed to the next mention date on 5 January 2010 pending extraction of the sealed order to transfer to the High Court. The matter in the Sessions Court is considered as transferred by reason of the Court Order on 8 September 2009. On 5 January 2010, the Defendant had extracted the sealed High Court order, to which the learned Sessions Court Judge has sanctioned the transfer of the suit to the High Court. On 28 August 2009, the application for transfer is on 8 September 2009, to which the matter at the Sessions Court will be transferred to the High Court. To save time and cost, the parties had mutually consented for both matters to be heard at the Shah Alam High Court

FORMIS RESOURCES BERHAD (530701-T)

SUMMARY OF STATUS OF LEGAL CLAIMS AS AT 24 FEBRUARY 2010

5	Formis Resources Berhad ("FRB") vs. Devaharan a/l Appukutten ("Devaharan") and Alunan Pantai Sdn Bhd ("APSB")	Suit No.: S-22-372-2009	Kuala Lumpur High Court	<p>On 19 June 2008, our Company had entered into the DCR Agreement with Devaharan in relation to the disposal of our entire interest in Dynamic Concept Resources Sdn Bhd, our wholly-owned subsidiary, comprising 2 ordinary shares of RM1.00 each for a total consideration of RM2.00. Devaharan had also agreed as a term of the DCR Agreement that he would pay the outstanding amount of all shareholders loans/advances granted by our subsidiary company, Formis Bass Software Sdn Bhd, to FRB.</p> <p>Despite having provided extensions of the payment date for settlement of the balance of the outstanding shareholders' advances amounting to RM276,314 as stipulated under the terms of the DCR Agreement, Devaharan failed to settle the outstanding amount on or before the due date for payment. Accordingly, on 3 June 2009, we filed a claim at the High Court against (i) Devaharan for specific performance of the sale and purchase transaction contemplated under the DCR Agreement and (ii) both Devaharan and APSB for damages (in addition to or as an alternative to specific performance) together with interest at the rate of 8% per annum commencing from 10 April 2009 until the date of specific performance of the DCR Agreement or full payment of the amount outstanding. The claim against Devaharan is for breach of the terms of the DCR Agreement while the claim against APSB is pursuant to a Guarantee and Indemnity provided by APSB in favour of us dated 19 June 2008 wherein it had undertaken to guarantee the due and punctual payment of the amounts which Devaharan had covenanted to pay pursuant to the terms of the DCR Agreement.</p> <p>The requisite timeframe prescribed for both Devaharan and APSB to enter appearance and file their respective defences lapsed on 29 September 2009 and FRB has on 17 December 2009 filed applications to court to obtain Judgment In Default of Defence against both Devaharan and APSB. The matter is now fixed for case management on 3 March 2010.</p>
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SUMMARY OF STATUS OF LEGAL CLAIMS AS AT 24 FEBRUARY 2010

6	CLS v Datuk Patrick Lim Soo Kit ("Datuk Patrick Lim")	Suit No. 22-7-2010	Kuala Lumpur High Court	<p>A writ of summons and statement of claim ("Writ") has been filed against Datuk Patrick Lim for the sum of RM5,563,269 together with interest at the rate of 8% per annum on the said sum from 5 March 2008 until the date of full realisation.</p> <p>The details of circumstances leading to the filing of the Writ by CLS are as follows :</p> <ol style="list-style-type: none"> 1) By an agreement in writing dated 27 December 2005 entered into between CLS and Automotive Centre of Excellence Sdn Bhd ("ACE"), CLS agreed to sell and ACE agreed to purchase hardware and software and undertake the installation, implementation and commissioning of a student management system ("Agreement"). ACE has from time to time made payment towards account leaving a balance sum of RM6,917,827.63 due and owing as at 22 August 2008; 2) By a guarantee in writing dated 4 March 2008 and in consideration of CLS refraining and forbearing from taking or commencing any legal action to recover the amount of RM5,563,269 ("Sum") from ACE and in further consideration of CLS continuing to perform and discharge its obligations under the Agreement, the Defendant has guaranteed payment of the debt in the event of ACE failing to settle the same within a period of twelve months from 4 March 2008 ("Guarantee"); and 3) The amount claimed represents the Sum guaranteed by the Defendant which is due and payable by ACE to CLS upon the lapse of more than twelve months pursuant to the terms of the Guarantee.
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