

FORMIS RESOURCES BERHAD (530701-T)
Incorporated in Malaysia

**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010**
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31.03.2010 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.03.2009 RM'000	CURRENT YEAR-TO- DATE 31.03.2010 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.03.2009 RM'000
Revenue	89,968	89,370	321,381	379,466
Cost of sales	(68,155)	(72,244)	(249,056)	(298,071)
Gross profits	21,813	17,126	72,325	81,395
Other operating income	2,034	3,362	8,305	8,812
Other operating expenses	(17,666)	(23,309)	(58,456)	(68,615)
Finance costs	(1,503)	(1,678)	(5,956)	(5,975)
Profit / (Loss) before tax	4,678	(4,499)	16,218	15,617
Tax income / (expense)	448	1,035	(2,483)	(4,450)
Profit / (Loss) for the financial period / year	5,126	(3,464)	13,735	11,167
Attributable to:-				
Equity holders of the parent	4,995	(3,207)	12,616	9,188
Minority interest	131	(257)	1,119	1,979
Profit / (Loss) for the financial period / year	5,126	(3,464)	13,735	11,167
Earnings / (Loss) per ordinary share (sen)				
-Basic	2.69	(1.74)	6.79	4.99

(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 MARCH 2010**

	Unaudited	Audited
	As at End of Current Financial Year	As at Preceding Financial Year End
	31.03.2010	31.03.2009
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	4,034	4,957
Software development costs	2,659	2,336
Other investments	1,373	5,850
Investment property	32	32
Other receivables	7,589	13,800
Goodwill	146,161	146,469
Deferred tax assets	1,584	1,177
	<u>163,432</u>	<u>174,621</u>
Current Assets		
Other investments	5,996	4,135
Inventories	22,326	28,446
Trade receivables	91,054	86,122
Other receivables, deposits and prepayments	26,325	32,854
Current tax assets	3,471	2,746
Cash and cash equivalents	86,064	81,821
	<u>235,236</u>	<u>236,124</u>
Assets of disposal groups classified as held for sale	97,000	97,090
TOTAL ASSETS	<u>495,668</u>	<u>507,835</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	185,901	185,901
Other reserves	9,659	10,707
Retained earnings	24,466	11,850
	<u>220,026</u>	<u>208,458</u>
Minority interest	6,470	5,351
TOTAL EQUITY	<u>226,496</u>	<u>213,809</u>
Non-Current Liabilities		
Borrowings	44,757	54,572
Hire purchase and lease creditors	8,281	14,016
Deferred tax liabilities	1,198	1,192
	<u>54,236</u>	<u>69,780</u>
Current Liabilities		
Trade payables	30,043	35,229
Other payables, deposits and accruals	50,793	55,361
Borrowings	22,875	19,166
Hire purchase and lease creditors	14,151	15,981
Current tax payables	74	1,507
	<u>117,936</u>	<u>127,244</u>
Liabilities of disposal groups classified as held for sale	97,000	97,002
TOTAL LIABILITIES	<u>269,172</u>	<u>294,026</u>
TOTAL EQUITY AND LIABILITIES	<u>495,668</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 YEAR ENDED 31 MARCH 2010**
 (The figures have not been audited)

	<----- Attributable to equity holders of the Company ----->						
	<----- 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	Total equity RM'000
Twelve Months Financial Year Ended 31 March 2010							
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 year	-	-	-	(1,048)	-	-	(1,048)
Net profit for the financial year	-	-	-	-	12,616	1,119	13,735
Balance as at 31 March 2010	185,901	-	9,744	(85)	24,466	6,470	226,496

FORMIS RESOURCES BERHAD (530701-T)
Incorporated in Malaysia

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010
(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>Twelve Months Financial Year Ended 31 March 2009</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 year	-	-	-	751	-	-	751
Net profit for the financial year	-	-	-	-	9,188	1,979	11,167
Conversion of ICPS	2,130	(2,130)	-	-	-	-	-
Dividend paid	-	-	-	-	(128)	-	(128)
Acquisition of minority interest	-	-	-	-	-	(5,756)	(5,756)
Dividends to minority shareholders	-	-	-	-	-	(2,100)	(2,100)
Balance as at 31 March 2009	<u>185,901</u>	<u>-</u>	<u>9,744</u>	<u>963</u>	<u>11,850</u>	<u>5,351</u>	<u>213,809</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 YEAR ENDED 31 MARCH 2010**

	CUMULATIVE QUARTER	
	CURRENT YEAR-TO- DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31.03.2010 RM'000	31.03.2009 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	16,218	15,617
Adjustment for non-cash items	7,002	9,241
	<hr/>	<hr/>
Operating profit before working capital changes	23,220	24,858
Net changes in assets	11,822	30,096
Net changes in liabilities	(9,565)	(17,376)
	<hr/>	<hr/>
Net cash generated from operations	25,477	37,578
Contribution paid for defined benefit obligations	-	(130)
Interest received from overdue accounts	-	19
Tax paid	(5,580)	(4,730)
Tax refund	558	1,698
	<hr/>	<hr/>
Net cash from operating activities	20,455	34,435
CASH FLOWS FROM INVESTING ACTIVITIES		
Placement of fixed deposits pledged	(2,542)	(6,161)
Purchase of additional shares from minority shareholders	-	(12,312)
Other investments	1,979	(568)
Interest received	1,044	1,129
Dividend received	45	22
	<hr/>	<hr/>
Net cash from / (used in) investing activities	526	(17,890)
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayment) / Drawdown from financial institutions	(13,635)	19,496
Interest paid	(5,396)	(5,507)
Dividend paid	-	(128)
Dividend paid to minority shareholders of a subsidiary company	-	(2,100)
	<hr/>	<hr/>
Net cash (used in) / from financing activities	(19,031)	11,761
Net increase in cash and cash equivalents	1,950	28,306
Cash and cash equivalents at 1 April 2009/2008*		
As previously reported	68,319	40,043
Effect of changes in exchange rates	6	(30)
	<hr/>	<hr/>
Cash and cash equivalents at 31 March 2010/2009*	70,275	68,319

* 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 4th Quarter Ended 31 March 2010**

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/revised 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:-

		Effective for financial periods beginning on or after
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
FRS 1 (revised)	First-time Adoption of Financial Reporting Standards	1 July 2010
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards: Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters	1 January 2011
Amendments to FRS 2	Share-based Payment: Vesting Conditions and Cancellations	1 January 2010
Amendments to FRS 2	Share-based Payment	1 July 2010
FRS 3 (revised)	Business Combinations	1 July 2010
FRS 4	Insurance Contracts	1 January 2010
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2010
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
FRS 7	Financial Instruments : Disclosures	1 January 2010
Amendments to FRS 7	Financial Instruments: Reclassification of financial assets and reclassification of financial assets - effective date and transition	1 January 2010
Amendments to FRS 7	Improving Disclosures about Financial Instruments	1 January 2011
FRS 8	Operating Segments	1 July 2009
Amendments to FRS 8	Operating Segments	1 January 2010
FRS 101 (revised)	Presentation of Financial Statements	1 January 2010
Amendments to FRS 107	Statement of Cash Flows	1 January 2010
Amendments to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2010
Amendments to FRS 110	Events After the Balance Sheet Date	1 January 2010
Amendments to FRS 116	Property, Plant and Equipment	1 January 2010
Amendments to FRS 117	Leases	1 January 2010
Amendments to FRS 118	Revenue	1 January 2010
Amendments to FRS 119	Employee Benefits	1 January 2010
Amendments to FRS 120	Accounting for Government Grants and Disclosure of Government Assistance	1 January 2010
FRS 123 (revised)	Borrowing Costs	1 January 2010
Amendments to FRS 123	Borrowing Costs	1 January 2010
Amendments to FRS 127	Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
Amendments to FRS 127	Consolidated and Separate Financial Statements	1 January 2010
FRS 127 (revised)	Consolidated and Separate Financial Statements	1 July 2010
Amendments to FRS 128	Investments in Associates	1 January 2010
Amendments to FRS 129	Financial Reporting in Hyperinflationary Economies	1 January 2010

**Notes to the Interim Financial Report
For the 4th Quarter Ended 31 March 2010**

Amendments to FRS 131	Interests in Joint Ventures	1 January 2010
Amendments to FRS 132	Financial Instruments: Presentation: Puttable financial instruments and obligations arising on liquidation and transitional provision relating to compound financial instruments	1 January 2010
Amendments to FRS 132	Financial Instruments: Presentation: Classification of rights issue	1 March 2010
Amendments to FRS 134	Interim Financial Reporting	1 January 2010
Amendments to FRS 136	Impairment of Assets	1 January 2010
Amendments to FRS 138	Intangible Assets	1 January 2010
Amendments to FRS 138	Intangible Assets	1 July 2010
FRS 139	Financial Instruments: Recognition and Measurement	1 January 2010
Amendments to FRS 139	Financial Instruments: Recognition and Measurement: Eligible hedged items, reclassification of financial assets, reclassification of financial assets, reclassification of financial assets - effective date and transition and embedded derivatives	1 January 2010
Amendments to FRS 140	Investment Property	1 January 2010
IC Interpretation 9	Reassessment of Embedded Derivatives	1 January 2010
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives: Embedded Derivatives	1 January 2010
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives	1 July 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 12	Service Concession Arrangements	1 July 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
IC Interpretation 15	Agreements for the Construction of Real Estate	1 July 2010
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17	Distribution of Non-cash Assets to Owners	1 July 2010

The Group plans to first adopt the above Amendments to FRS, new/revised FRSs and IC Interpretations for the financial year ending 31 March 2011 and 31 March 2012 respectively except for FRS 4, Amendments to FRS 2, 120, 129 and 131, IC Interpretations 9, 11, 12, 13, 14, 15, 16 and 17, and Amendments to IC Interpretations 9 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 FRSs 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 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 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 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.

**Notes to the Interim Financial Report
For the 4th Quarter Ended 31 March 2010**

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 year under review.

9 Segmental reporting

	IT business RM'000	Others RM'000	Adjustment/ Eliminations RM'000	Total RM'000
<u>Twelve Months Financial Year Ended 31 March 2010</u>				
External sales	316,929	4,452	-	321,381
Inter segment sales	92,905	20,622	(113,527)	-
Total Sales	<u>409,834</u>	<u>25,074</u>	<u>(113,527)</u>	<u>321,381</u>
Segment results	19,481	18,896	(17,807)	20,570
Interest expense				(5,396)
Interest Income				1,044
Profit before taxation				<u>16,218</u>
				-
<u>Twelve Months Financial Year Ended 31 March 2009</u>				
External sales	374,913	4,553	-	379,466
Inter segment sales	56,149	29,957	(86,106)	-
Total sales	<u>431,062</u>	<u>34,510</u>	<u>(86,106)</u>	<u>379,466</u>
Segment results	18,762	18,563	(17,349)	19,976
Interest expense				(5,507)
Interest Income				1,148
Profit before taxation				<u>15,617</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.

11 Subsequent events

On 14 April 2010, RHB Investment Bank Berhad announced on behalf of the Board of Directors of the Company that the proposed reverse take-over of ISS Consulting Solutions Berhad ("ISS") via disposal of Formis Holdings Berhad ("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") and the proposed distribution by way of dividend-in specie of 185,900,199 ISS Shares to be received pursuant to the Proposed RTO to the shareholders of the Company on the basis of one (1) ISS Share for every one (1) existing ordinary share of RM1.00 each in FRB ("Proposed DIS") have been completed with the listing of the ISS Shares on the ACE Market of Bursa Malaysia Securities Berhad on the even date. RHB Investment Bank Berhad also announced on behalf of the Board of Directors of the Company that the ISS Shares pursuant to the Proposed DIS have been credited into the respective CDS accounts of the entitled shareholders of the Company.

Following the completion of the Proposals, the Company through FHB, now holds approximately 59.7% equity interest in ISS. In this regard, ISS is now a subsidiary of the Company.

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

**Notes to the Interim Financial Report
For the 4th Quarter Ended 31 March 2010**

12 Changes in the composition of the group

On 12 October 2009, the Company announced that FHB, a wholly-owned subsidiary of the Company, has entered into a conditional sale and purchase agreement with ISS :

- (i) for the proposed reverse take-over of ISS via disposal of FHB of its entire equity interest held in 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.

There were no other changes in the composition of the Group during the current financial year 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 leasing party for leasing facilities to a subsidiary	<u>0.14</u>

FHB	
- to leasing party for leasing facilities to a subsidiary	<u>4.04</u>

Corporate Guarantee cancelled by the following Company for the current quarter under review is as follows:-

FHB	
- to leasing party for leasing facilities to a subsidiary	<u>7.97</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 year under review.

**Additional information required by Bursa Securities Listing Requirements
For the 4th Quarter Ended 31 March 2010**

1 Review of performance

The Group recorded RM90.0 million of revenue in the current quarter under review, an increase of approximately 0.7% from RM89.4 million in the corresponding quarter of the preceding financial year.

The Group achieved a profit before tax of RM4.7 million for the current quarter under review, an increase of approximately RM9.2 million if compared to the corresponding quarter of 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 due to :-

- (i) Improvement in gross profit margin;
- (ii) A reduction in the employee relation expenses of RM2.27 million in the current quarter under review if compared to the corresponding quarter of the preceding financial year;
- (iii) A reduction in inventories written off from RM2.1 million in the corresponding quarter of the preceding financial year to RM0.6 million in the current quarter under review; and
- (iv) A reduction in impairment of goodwill of RM0.7 million in the current quarter under review if compared to the corresponding quarter of the preceding financial year.

For the financial year ended 31 March 2010, the Group recorded RM321.4 million of revenue, a decrease of approximately 15.3% from RM379.5 million in the preceding financial year. Despite the decrease in revenue, the Group achieved a profit before tax of RM16.2 million, an increase of approximately 3.8% from RM15.6 million in the preceding financial year. This is mainly due to :-

- (i) Improvement in gross profit margin; and
- (ii) A reduction in the employee relation expenses of RM5.6 million in the current financial year if compared to the preceding financial year.

2 Variation of results against preceding quarter

	3 months ended 31.03.2010 RM'000	3 months ended 31.12.2009 RM'000
Profit before tax	4,678	5,324

The group's profit before tax for the current quarter under review decreased by RM0.6 million compared to the preceding quarter which is mainly due to provision for employee relation expenses amounting to RM2.4 million in the current quarter under review.

3 Current year prospects

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

4 Profit forecast

Not applicable.

5 Tax expense

	Current Year Quarter 31.03.2010 RM'000	Preceding Year Corresponding Quarter 31.03.2009 RM'000	Current Year-To-Date 31.03.2010 RM'000	Preceding Year Corresponding Period 31.03.2009 RM'000
Current tax expense				
- Malaysian taxation	109	(813)	3,130	5,646
(Over)/Under provision in prior periods/years				
- Malaysian taxation	(28)	-	(270)	(881)
- Foreign taxation	24	-	24	29
	(4)	-	(246)	(852)
	105	(813)	2,884	4,794
Deferred taxation				
- origination and reversal of temporary differences	(553)	(222)	(401)	(344)
	(448)	(1,035)	2,483	4,450

The Group's effective tax rate for the current financial quarter / year 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 4th Quarter Ended 31 March 2010**

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 first request of extension of time by the purchaser to complete the purchase has expired. Subsequently on 24 March 2010, the Company received second request from the purchaser for further extension of time to complete the purchase for 2 months from the date of the second request letter.

7 Marketable securities

Details of disposal of quoted investments were as follows:

	3 months ended 31.03.2010 RM'000	Current Year-to-Date 31.03.2010 RM'000
Sales proceeds on disposal	133	5,445
Loss on disposal	(335)	(2,950)

As at 31 March 2010, the quoted investments included in other investments are as follows: -

	Long term RM'000	Short term RM'000	Total RM'000
- At cost	3,145	8,300	11,445
- At book value	1,216	5,996	7,212
- At market value	1,203	5,996	7,199

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 been terminated due to the failure of the purchaser to fulfill the conditions of the SSA.

(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 ("Proposed DIS").

On 14 April 2010, RHB Investment Bank Berhad announced on behalf of the Board of Directors of the Company that the Proposed RTO and the Proposed DIS have been completed with the listing of the ISS Shares on the ACE Market of Bursa Malaysia Securities Berhad on the even date. RHB Investment Bank Berhad also announced on behalf of the Board of Directors of the Company that the ISS Shares pursuant to the Proposed DIS have been credited into the respective CDS accounts of the entitled shareholders of the Company.

Following the completion of the Proposals, the Company through FHB, now holds approximately 59.7% equity interest in ISS. In this regard, ISS is now a subsidiary of the Company.

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 4th Quarter Ended 31 March 2010

9 Borrowings and debts securities

The Group's bank borrowings as at 31 March 2010 are as follows:

	RM'000
Short term bank borrowings	
- unsecured	610
- secured	<u>119,265</u>
	119,875
Long term bank borrowings	
- secured	44,757
	<u>44,757</u>
Total borrowings	<u><u>164,632</u></u>

All borrowings are denominated in Ringgit Malaysia.

10 Off balance sheet financial instruments

As at 31 March 2010, 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.

Following the completion of the Proposed RTO as per aforementioned in note 8(b)(i), the call and put options are automatically terminated on completion of the reverse take-over of ISS i.e. on 14 April 2010.

11 Changes in material litigation

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

12 Dividends

The Company has distributed 185,900,199 new ISS shares that the Company received on 14 April 2010 pursuant to the aforementioned 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, by crediting the ISS Shares as fully paid-up into the respective CDS accounts of the entitled shareholders of the Company on the even date.

13 Earnings per ordinary share

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

Basic earnings / (loss) 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 year-to-date	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009
Profit / (loss) after tax and minority interests (RM'000)	4,995	(3,207)	12,616	9,188
WA number of ordinary shares in issue ('000)	185,901	184,168	185,901	184,168
Basic earnings / (loss) per ordinary share (sen)	<u>2.69</u>	<u>(1.74)</u>	<u>6.79</u>	<u>4.99</u>

(b) Fully diluted earnings per ordinary share

The Group has no potential ordinary shares in issue as at 31 March 2010 and therefore, diluted earnings per share have not been presented.

SUMMARY OF STATUS OF LEGAL CLAIMS AS AT 26 MAY 2010

A. MATERIAL LITIGATION AGAINST THE GROUP

No.	Parties to the Suit	Case / Summons No.	Court	Latest Status
1	Noordin bin Awang vs. Formis E Solutions Sdn Bhd (formerly known as Man Yau Plastics Factory (Malaysia) Sendirian Berhad) ("FES")	Suit No.9/4-535/08	Penang Industrial Court	In light of the withdrawal by En Noordin bin Awang on 21 April 2010, the Court had struck off the claimant's case on 22 April 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 23 March 2010, the case was adjourned for next case management on 7 May 2010.</p> <p>On 7 May 2010, the learned Registrar informed that the matter will now be scheduled for case management before a High Court Judge on a date to be notified by the Court later.</p>

SUMMARY OF STATUS OF LEGAL CLAIMS AS AT 26 MAY 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. ("FSSB") vs. Neuronet (Malaysia) Sdn. Bhd. ("NSB")	Suit No. D6-22-1986-00	Kuala Lumpur High Court	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. ("FNS") vs. Binet Marketing Sdn. Bhd. ("Binet")	Suit No. D6-22-600-2004	Kuala Lumpur High Court	By an application filed on 9 April 2010, FNS has applied for summary judgement against Binet, which application is fixed for hearing on 13 May 2010. On 13 May 2010, the case is fixed for hearing on 30 June 2010.
4	Com-Line Systems Sdn. Bhd. ("CLS") vs. Xybase Sdn. Bhd. ("Xybase")	Civil Suit No. 22-226-2010 (transferred from Shah Alam Sessions Court Summons No. : 52-3507-2008)	Shah Alam High Court	On the application of the Defendant, the matter was transferred from the Sessions Court to the High Court, by Order dated 8 September 2009. Prior to the transfer of proceedings, CLS filed a summary judgement application dated 12 January 2009 against the Defendant. The Defendant filed an affidavit in reply affirmed on 13 May 2009 in reply to CLS's affidavit in Support affirmed on 12 January 2009. On 13 May 2010, a "Notice to Attend Pre-Hearing Case Management" was filed in the High Court in respect of CLS's summary judgement application. The pre-hearing case management date will be fixed by the High Court later.

SUMMARY OF STATUS OF LEGAL CLAIMS AS AT 26 MAY 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 3 March 2010, the court has directed parties to file in written submission on the next case management date on 18 March 2010.</p> <p>The Court has also fixed the matter for hearing before the Honourable High Court Judge on 30 March 2010.</p> <p>On 30 March 2010, FRB obtained judgment against Devaharan. The judgment granted by the Honourable Court to FRB is as follows:</p> <ul style="list-style-type: none"> (a) Specific Performance of the Share Sale Agreement; (b) Damages for the sum of RM237,442.98 as at 9-4-2009; (c) General damages to be assessed by the Senior Assistant Registrar; (d) Interests on the sum of RM226,314.00 at the rate of 8% per annum calculated from 10-4-2009 until; <ul style="list-style-type: none"> (i) Specific performance of the Share Sale Agreement; (ii) Payment of the full sum. (e) Interest at the rate of 8% per annum on the damages to be assessed by the Senior Assistant Registrar calculated from 10-4-2009 until the full payment; and (f) Costs of RM5,000.00. <p>The sealed Judgement in Default of Non-Appearance and the Order under Enclosure 7 against the 1st Defendant has been extracted on 11 May 2010.</p>
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.