

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
 FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2010**  
 (The figures have not been audited)

	INDIVIDUAL QUARTER THREE MONTHS ENDED 31 DECEMBER		CUMULATIVE PERIOD NINE MONTHS ENDED 31 DECEMBER	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Revenue	75,295	72,806	219,320	231,413
Cost of sales	(58,648)	(54,197)	(167,810)	(180,901)
Gross profits	16,647	18,609	51,510	50,512
Other income	1,597	610	14,873	6,271
Other operating expenses	(15,841)	(12,582)	(58,137)	(40,790)
Finance costs	(1,183)	(1,313)	(3,839)	(4,453)
Profit before tax	1,220	5,324	4,407	11,540
Tax expense	(1,189)	(182)	(2,597)	(2,931)
Profit for the financial period	31	5,142	1,810	8,609
<b>Other comprehensive (loss) / income, net of tax</b>				
Foreign currency translation differences for foreign operations	(65)	(146)	465	(1,045)
<b>Other comprehensive (loss) / income for the financial period, net of tax</b>	(65)	(146)	465	(1,045)
<b>Total comprehensive (loss) / income for the financial period</b>	(34)	4,996	2,275	7,564
<b>Profit attributable to:-</b>				
Equity holders of the parent	1,700	5,058	5,796	7,621
Minority interest	(1,669)	84	(3,986)	988
<b>Profit for the financial period</b>	31	5,142	1,810	8,609
<b>Total comprehensive (loss) / income attributable to:-</b>				
Equity holders of the parent	1,616	4,912	6,090	6,576
Minority interest	(1,650)	84	(3,815)	988
<b>Total comprehensive (loss) / income for the financial period</b>	(34)	4,996	2,275	7,564
Earnings per ordinary share (sen)				
-Basic	0.91	2.72	3.12	4.10

*(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying explanatory notes to the interim financial report and the audited financial statements for the financial year ended 31 March 2010.)*

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2010

	Unaudited As at 31.12.2010 RM'000	Audited As at 31.03.2010 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	4,638	4,034
Software development costs	2,908	2,659
Other investments	3,672	1,373
Investment property	32	32
Other receivables	8,763	7,589
Goodwill	160,590	146,161
Deferred tax assets	1,791	1,584
	<u>182,394</u>	<u>163,432</u>
<b>Current Assets</b>		
Other investments	5,327	5,996
Inventories	17,537	22,326
Trade receivables	92,581	91,054
Other receivables, deposits and prepayments	27,968	26,325
Current tax assets	3,559	3,471
Cash and cash equivalents	77,220	86,064
	<u>224,192</u>	<u>235,236</u>
<b>Assets of disposal groups classified as held for sale</b>	97,000	97,000
<b>TOTAL ASSETS</b>	<u>503,586</u>	<u>495,668</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	185,901	185,901
Share premium	9,744	9,744
Other reserves	209	(85)
Retained earnings	16,319	24,466
	<u>212,173</u>	<u>220,026</u>
<b>Minority interest</b>	23,078	6,470
<b>TOTAL EQUITY</b>	<u>235,251</u>	<u>226,496</u>
<b>Non-Current Liabilities</b>		
Borrowings	34,757	44,757
Hire purchase and lease creditors	8,998	8,281
Deferred tax liabilities	1,331	1,198
	<u>45,086</u>	<u>54,236</u>
<b>Current Liabilities</b>		
Trade payables	27,641	30,043
Other payables, deposits and accruals	59,402	50,793
Borrowings	24,933	22,875
Hire purchase and lease creditors	14,053	14,151
Current tax payables	220	74
	<u>126,249</u>	<u>117,936</u>
<b>Liabilities of disposal groups classified as held for sale</b>	97,000	97,000
<b>TOTAL LIABILITIES</b>	<u>268,335</u>	<u>269,172</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>503,586</u>	<u>495,668</u>

(The Condensed Consolidated Balance Sheet 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 2010.)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
 FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2010**  
 (The figures have not been audited)

	<----- Attributable to equity holders of the Company ----->					
	<----- Non-distributable ----->			Distributable		
	Ordinary shares RM'000	Share premium RM'000	Exchange translation reserve RM'000	Retained earnings RM'000	Minority interest RM'000	Total equity RM'000
<b><u>Nine Months Financial Period Ended 31 December 2010</u></b>						
Balance as at 1 April 2010	185,901	9,744	(85)	24,466	6,470	226,496
Total comprehensive income for the financial period	-	-	294	5,796	(3,815)	2,275
Acquisition of subsidiary companies	-	-	-	-	12,290	12,290
Arising from dilution of equity interest in a subsidiary	-	-	-	-	8,133	8,133
Interim dividend #	-	-	-	(13,943)	-	(13,943)
Balance as at 31 December 2010	<u>185,901</u>	<u>9,744</u>	<u>209</u>	<u>16,319</u>	<u>23,078</u>	<u>235,251</u>

# Interim dividend-in-specie of one (1) ISS Consulting Solutions Bhd shares for every one (1) Formis Resources Bhd shares held, or equivalent to a dividend rate of 10% single-tier exempt dividend per share in respect of the financial year ended 31 March 2010.

	<----- Attributable to equity holders of the Company ----->					
	<----- Non-distributable ----->			Distributable		
	Ordinary shares RM'000	Share premium RM'000	Exchange translation reserve RM'000	Retained earnings RM'000	Minority interest RM'000	Total equity RM'000
<b><u>Nine Months Financial Period Ended 31 December 2009</u></b>						
Balance as at 1 April 2009	185,901	9,744	963	11,850	5,351	213,809
Total comprehensive income for the financial period	-	-	(1,045)	7,621	988	7,564
Balance as at 31 December 2009	<u>185,901</u>	<u>9,744</u>	<u>(82)</u>	<u>19,471</u>	<u>6,339</u>	<u>221,373</u>

(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 2010.)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2010**

	<b>NINE MONTHS ENDED 31 DECEMBER</b>	
	<b>2010</b>	<b>2009</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	4,407	11,540
Adjustment for non-cash items	(5,001)	4,351
	<u>(594)</u>	<u>15,891</u>
Operating (loss) / profit before working capital changes	(594)	15,891
Net changes in assets	21,584	15,368
Net changes in liabilities	(18,341)	(19,280)
	<u>2,649</u>	<u>11,979</u>
Net cash generated from operations	2,649	11,979
Tax paid	(3,490)	(4,688)
Tax refund	1,099	476
	<u>258</u>	<u>7,767</u>
Net cash from operating activities	258	7,767
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Placement of fixed deposits pledged	(4,229)	(2,316)
Other investments	(2,571)	1,875
Acquisition of subsidiary companies, net of cash and cash equivalents	5,073	-
Interest received	1,146	765
Dividend received	90	40
	<u>(491)</u>	<u>364</u>
Net cash (used in) / from investing activities	(491)	364
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment to financial institutions	(18,479)	(7,678)
Interest paid	(3,494)	(3,966)
	<u>(21,973)</u>	<u>(11,644)</u>
Net cash used in financing activities	(21,973)	(11,644)
Net decrease in cash and cash equivalents	(22,206)	(3,513)
Cash and cash equivalents at 1 April 2010/2009*	70,275	68,319
Effect of foreign exchange on opening balance	345	6
	<u>48,414</u>	<u>64,812</u>
Cash and cash equivalents at 31 December 2010/2009*	48,414	64,812

\* 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 2010.)*

**Notes to the Interim Financial Report  
For the Third Quarter Ended 31 December 2010**

**1 Basis of preparation**

The interim financial report is unaudited and has been prepared in accordance with the requirements of Financial Reporting Standard ("FRS") 134, Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 March 2010. 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 2010.

**2 Significant Accounting Policies**

**(a) Changes in accounting policies**

The significant accounting policies adopted are consistent with those previously adopted in the audited financial statements of the Group for the financial year ended 31 March 2010 saved for the adoption of all the new/revised FRSs, Improvements to FRSs and IC Interpretations that are relevant to the Group's operations and effective for financial periods beginning on or after 1 July 2009 and 1 January 2010 as follows: -

		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 4	Insurance Contracts	1 January 2010
FRS 7	Financial Instruments : Disclosures	1 January 2010
Amendments to FRS 7	Financial Instruments: Disclosures: Reclassification of financial assets and reclassification of financial assets -effective date and transition	1 January 2010
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 118	Revenue	1 January 2010
Amendments to FRS 119	Employee Benefits	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
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 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
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
IC Interpretation 10	Interim Financial Reporting and Impairment	1 January 2010

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.

Other than the effect of the application of FRS 8, FRS 101 (revised) and FRS 139 described below, the application of the above new/revised FRSs, Amendments to FRSs and IC Interpretations did not result in any significant changes in the accounting policies and presentation of the financial results of the group: -

**(i) FRS 8: Operating Segments**

FRS 8 requires segment information to be presented on a similar basis to that used for internal reporting purposes. As a result, the Group's segmental reporting had been presented based on the internal reporting provided to the Chief Executive Officer, who is the Group's chief operating decision maker. Comparative information has been re-presented so that it is in conformity with this Standard. This Standard only impacts presentation and disclosures aspects, there is no impact on the financial position and result of the Group.

Notes to the Interim Financial Report  
For the Third Quarter Ended 31 December 2010

**2 Significant Accounting Policies (continued)**

**(a) Changes in accounting policies (continued)**

**(ii) FRS 101 (revised): Presentation of Financial Statements**

FRS 101 (revised) introduces the titles "statement of financial position" and "statement of cash flows" to replace the current titles "balance sheet" and "cash flow statement" respectively. A new statement known as the 'statement of comprehensive income' is also introduced whereby all non-owner changes in equity are required to be presented in either one statement of comprehensive income or in two statements (i.e. a separate income statement and a statement of comprehensive income). Components of comprehensive income are not permitted to be presented in the statement of changes in equity. This Standard also introduces a new requirement to present a statement of financial position as at the beginning of the earliest comparative period if there are applications of retrospective restatements that are defined in FRS 108, or when there are reclassifications of items in the financial statements. The adoption of this Standard has resulted in the Group presenting both the income statement and statement of comprehensive income under one statement of comprehensive income.

Comparative information has been re-presented so that it is in conformity with the revised Standard. Apart from the new presentation and disclosure requirements described, this Standard does not have any other impact on the consolidated financial statements.

**(iii) FRS 139: Financial Instruments: Recognition and Measurement**

The adoption of FRS 139 has resulted in changes to accounting policies relating to recognition and measurement of the Group's financial instruments. Financial instruments are recorded initially at fair value plus, in the case of a financial instrument not at fair value through profit or loss, transactions costs that are directly attributable to the acquisition or issue of the financial instrument. Subsequent measurement of the financial instruments at the balance sheet date reflects the designation of the financial instruments. The Group categorises financial instruments as follows: -

**Financial assets**

Financial assets are classified as loans and receivables, available-for-sale (AFS) financial assets, financial assets at fair value through profit or loss, held-to-maturity (HTM) investments, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Group's financial assets include loans and receivables, cash and bank balances, time deposits and financial assets at fair value through profit or loss.

**(I) Loans and receivables**

Loans and receivables category comprises debts instruments that are not quoted in an active market, trade and other receivables and cash and cash equivalents. Under FRS 139, loans and receivables are initially measured at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest method ("EIR"). Gains and losses arising from the derecognition of the loans and receivables, EIR amortisation and impairment losses are recognised in the profit or loss.

**(II) Financial assets at fair value through profit or loss**

Fair value through profit or loss category comprises financial assets that are held for trading, including derivatives (except for derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial assets that are specifically designated into this category upon initial recognition. Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost. Other financial assets categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

**Financial liabilities**

All financial liabilities are subsequently measured at amortised cost other than those categorised as fair value through profit or loss. The Group's financial liabilities include loans and borrowings and payables which are measured at amortised cost.

**(III) Loans and borrowings**

Under FRS 139, loans and borrowings are initially recognised at fair value plus directly attributable transaction costs. Loans and borrowings are subsequently measured at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the loans and borrowings using the effective interest method. Prior to 1 April 2010, loans and borrowings were subsequently measured at amortised cost using the straight line method.

**(IV) Payables**

Prior to 1 April 2010, payables are measured initially and subsequently at cost. Under FRS 139, payables are initially recognised at fair value, which is usually the original invoiced amount and subsequently measured at amortised cost using the effective interest method.

**Impact on opening balance**

There is no impact on opening balance upon the adoption of FRS 139 and therefore the opening balance of the consolidated statement of financial position and consolidated statement of changes in equity as at 1 April 2010 are not restated. The adoption of FRS 139 does not have any significant impact on the profit for the financial period-to-date.

**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 2010 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 Third Quarter Ended 31 December 2010**

**5 Unusual items due to their nature, size or incidence**

Saved as disclosed in note 2 and note 6 of this report, there were no unusual items affecting the assets, liabilities, equity, net income, or cash flows due to their nature, size, or incidence during the current financial period under review.

**6 Material changes in estimates**

There were no material changes in estimates of amounts reported in prior financial years. Thus, there is no material effect in the financial statements of the current financial period under review.

**7 Debt and equity securities**

There were no issuance, cancellation, repurchase, resale and repayment of debt securities of the Group and equity securities of the Company as at the date of this report.

**8 Dividends paid**

During the financial period under review, the Company paid interim dividend-in-specie on the basis of one (1) ISS Consulting Solutions Bhd (ISS) share for every one (1) existing FRB share held, or equivalent to a dividend rate of 10% single-tier exempt dividend per share on 14 April 2010 in respect of the financial year ended 31 March 2010 amounting to RM13.943 million.

**9 Segmental reporting**

Effective 1 April 2010, the Group has adopted segmental reporting in accordance to FRS 8, Operating Segments. The Group has five strategic business segments, which are Distribution, Networks, Software, Solutions and Systems. These business segments offer different products and services, and are managed separately. The Chief Executive Officer reviews internal management reports of each of the strategic business segment on a quarterly basis.

The following summarizes the nature of the business of each of the business segment: -

- Distribution - Distribution and reselling of hardware and software
- Networks - Provision of a comprehensive range of tele/data communication and networking solutions and services
- Software - Provision of legal, financial and commercial software products as well as services to develop and implement platform-independent software solutions
- Solutions - Provision of integrated business solutions based on SAP software and customized solutions which include building automation and management, media publication and broadcasting solutions
- Systems - Provision of customized systems integration of hardware platforms, continuous maintenance and after sales support services

	Distribution RM'000	Networks RM'000	Software RM'000	Solutions RM'000	Systems RM'000	Others RM'000	Eliminations RM'000	Total RM'000
<b><u>Nine Months Financial Period Ended 31 December 2010</u></b>								
External sales	72,851	17,106	12,202	23,063	89,125	4,973	-	219,320
Inter segment sales	4,188	3,642	27,086	573	2,613	16,551	(54,653)	-
Total Sales	<u>77,039</u>	<u>20,748</u>	<u>39,288</u>	<u>23,636</u>	<u>91,738</u>	<u>21,524</u>	<u>(54,653)</u>	<u>219,320</u>
Segment results	2,563	2,997	4,620	(13,253)	(501)	10,329	-	6,755
Interest expense								(3,494)
Interest Income								1,146
Profit before taxation								<u>4,407</u>
Segment assets	<u>45,066</u>	<u>42,941</u>	<u>24,880</u>	<u>35,980</u>	<u>87,939</u>	<u>266,780</u>	-	<u>503,586</u>
<b><u>Nine Months Financial Period Ended 31 December 2009</u></b>								
External sales	57,695	52,325	20,569	6,335	91,394	3,095	-	231,413
Inter segment sales	15,232	2,686	22,809	1,180	5,023	2,716	(49,646)	-
Total Sales	<u>72,927</u>	<u>55,011</u>	<u>43,378</u>	<u>7,515</u>	<u>96,417</u>	<u>5,811</u>	<u>(49,646)</u>	<u>231,413</u>
Segment results	485	8,907	4,188	(2,361)	2,399	1,432	(309)	14,741
Interest expense								(3,966)
Interest Income								765
Profit before taxation								<u>11,540</u>
Segment assets	<u>48,679</u>	<u>46,842</u>	<u>22,583</u>	<u>11,233</u>	<u>100,508</u>	<u>256,490</u>	-	<u>486,335</u>

**Notes to the Interim Financial Report  
For the Third Quarter Ended 31 December 2010**

**10 Carrying amount of revalued assets**

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

**11 Subsequent events**

On 24 January 2011, the Company announced its proposal to issue 92,950,099 Free Warrants in FRB ("Free Warrants") on the basis of one (1) Free Warrant for every two (2) existing ordinary shares of RM1.00 each in FRB ("FRB Shares" or "Shares") held by the entitled shareholders of the Company on an entitlement date to be determined and announced later ("Proposed Free Warrants Issue").

The Proposed Free Warrants Issue is now pending submission to Bursa Malaysia Securities Bhd ("Bursa Securities"), for the admission of the Free Warrants and the listing and quotation of the Free Warrants, and the new Shares to be issued pursuant to the exercise of the Free Warrants on the Main Market of Bursa Securities, and Bank Negara Malaysia for its approval for the issuance of the Free Warrants to non-resident Entitled Shareholders pursuant to the Proposed Free Warrants Issue.

Saved as disclosed above, there were no other material events announced subsequent to the end of the current financial quarter under review.

**12 Changes in the composition of the group**

On 14 April 2010, the Company announced the completion of the following proposals:-

- (i) the reverse take-over of ISS via disposal of Formis Holdings Berhad's (FHB) 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, satisfied by the issuance of 990 million new ordinary shares of RM0.10 each in ISS to FHB at par.
- (ii) the distribution of 185,900,199 new ISS shares received pursuant to the reverse take-over of ISS 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.

With the completion of the above proposals, ISS became a 59.6% subsidiary company of the Group.

There were no other 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 during the current financial quarter under review are as follows:-

	<b>RM'm</b>
FRB	
- to leasing party for leasing facilities to a subsidiary	<u>0.36</u>
FHB	
- to leasing party for leasing facilities to a subsidiary	<u>1.00</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 Third Quarter Ended 31 December 2010**

**1 Review of performance**

The Group posted a revenue of RM75.3 million in the current quarter under review, an increase of approximately 3.4% from RM72.8 million in the corresponding quarter of the preceding financial year.

The Group recorded a profit before tax of RM1.2 million for the current quarter under review, against a profit before tax of RM5.3 million in the corresponding quarter of the preceding financial year. The decrease in profit is mainly due to an increase of other operating expenses from the newly acquired subsidiaries.

**2 Variation of results against preceding quarter**

	<b>3 months ended 31.12.2010 RM'000</b>	<b>3 months ended 30.09.2010 RM'000</b>
Profit / (Loss) before tax	1,220	(2,579)

The group recorded a profit before tax of RM1.2 million for the current quarter under review as compared to a loss before tax of RM2.6 million for the preceding quarter, which is mainly due to the reduction of other operating expenses 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 Income tax expense**

	<b>INDIVIDUAL QUARTER THREE MONTHS ENDED 31 DECEMBER</b>		<b>CUMULATIVE PERIOD NINE MONTHS ENDED 31 DECEMBER</b>	
	<b>2010 RM'000</b>	<b>2009 RM'000</b>	<b>2010 RM'000</b>	<b>2009 RM'000</b>
Current tax expense				
- Malaysian taxation	1,194	364	2,189	3,021
Under / (over) provision in prior period				
- Malaysian taxation	102	(257)	102	(242)
- Foreign taxation	128	-	182	-
	230	(257)	284	(242)
	1,424	107	2,473	2,779
Deferred taxation				
- origination and reversal of temporary differences	(235)	75	124	152
	1,189	182	2,597	2,931

The Group's effective tax rate for the current financial quarter is higher than the statutory tax rate as profits of certain subsidiaries cannot be set-off against losses of other subsidiaries for tax purposes as these subsidiaries are not able to satisfy the conditions for group relief and certain expenses were disallowed for tax deductions.

**6 Unquoted investments and properties**

(a) 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 Company has extended to the Purchaser an extension of time until 2nd May 2011 to complete the sale.

(b) On 1 November 2010, the Company announced that Formis e Solutions Sdn Bhd (formerly known as Man Yau Plastic Factory (Malaysia) Sdn Bhd), a wholly-owned subsidiary of Man Yau Holdings Berhad, which in turn is a wholly-owned subsidiary of the Company, has subscribed for 1,600,000 new ordinary shares of RM1.00 each in RAM Credit Information Sdn Bhd (formerly known as RAM-DP Information Services Sdn Bhd) ("RAMCI"), representing 16% of the total issued and paid-up share capital of RAMCI, for a total cash consideration of RM1,600,000.00.

**Additional information required by Bursa Securities Listing Requirements  
For the Third Quarter Ended 31 December 2010**

**7 Marketable securities**

Details of disposal of quoted investments were as follows:

	Current quarter ended 31.12.2010 RM'000	Current period- to-date 31.12.2010 RM'000
Sales proceeds on disposal	10	276
Loss on disposal	(20)	(146)

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

	Long term RM'000	Short term RM'000	Total RM'000
At cost	2,818	8,374	11,192
Less : Fair value adjustment			
- Opening balance	1,928	2,304	4,232
- Current quarter	(1,026)	743	(283)
	902	3,047	3,949
At fair value	1,916	5,327	7,243
At market value	1,916	5,327	7,243

**8 Status of corporate proposals**

On 24 January 2011, the Company announced its proposal to issue 92,950,099 Free Warrants in FRB ("Free Warrants") on the basis of one (1) Free Warrant for every two (2) existing ordinary shares of RM1.00 each in FRB ("FRB Shares" or "Shares") held by the entitled shareholders of the Company on an entitlement date to be determined and announced later ("Proposed Free Warrants Issue").

The Proposed Free Warrants Issue is now pending submission to Bursa Malaysia Securities Bhd ("Bursa Securities"), for the admission of the Free Warrants and the listing and quotation of the Free Warrants, and the new Shares to be issued pursuant to the exercise of the Free Warrants on the Main Market of Bursa Securities, and Bank Negara Malaysia for its approval for the issuance of the Free Warrants to non-resident Entitled Shareholders pursuant to the Proposed Free Warrants Issue.

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

**9 Borrowings and debts securities**

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

	RM'000
Short term bank borrowings - secured	121,932
Long term bank borrowings - secured	34,757
Total borrowings	156,689

All borrowings are denominated in Ringgit Malaysia.

**Additional information required by Bursa Securities Listing Requirements  
For the Third Quarter Ended 31 December 2010**

**10 Realised and unrealised Profits**

On 25 March 2010, Bursa Malaysia Securities Berhad ("Bursa Securities") issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of Bursa Securities Main Market Listing Requirements for all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses into realised and unrealised profits or losses as at the end of the reporting period.

On 20 December 2010, Bursa Securities further issued guidance on the disclosure and the format required.

The breakdown of retained profits of the Group as at the reporting date, into realised and unrealised profits, pursuant to the directive, is as follows:

	31.12.2010 RM'000	30.09.2010 RM'000
Total retained profits of the Group: -		
- Realised	15,364	14,303
- Unrealised	195	(7)
- in respect of deferred tax recognised in the statement of comprehensive income		
- in respect of other items of income and expense	760	323
Total Group retained profits as per consolidated accounts	16,319	14,619

The determination of realised and unrealised profits is based on the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure 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 compliance on the disclosure requirements stipulated in the directive of Bursa Securities and should not be applied for any other purposes.

**11 Off balance sheet financial instruments**

The Group does not have any financial instruments with off balance sheet risk as at the date of this report.

**12 Changes in material litigation**

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

**13 Dividends**

During the financial period under review, the Company paid interim dividend-in-specie on the basis of one (1) ISS Consulting Solutions Bhd (ISS) share for every one (1) existing FRB share held, or equivalent to a dividend rate of 10% single-tier exempt dividend per share on 14 April 2010 in respect of the financial year ended 31 March 2010 amounting to RM13.943 million.

**14 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.

	INDIVIDUAL QUARTER THREE MONTHS ENDED 31 DECEMBER		CUMULATIVE PERIOD NINE MONTHS ENDED 31 DECEMBER	
	2010	2009	2010	2009
Profit after tax and minority interests (RM'000)	1,700	5,058	5,796	7,621
WA number of ordinary shares in issue ('000)	185,901	185,901	185,901	185,901
Basic earnings per ordinary share (sen)	0.91	2.72	3.12	4.10

(b) Fully diluted earnings per ordinary share

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

**SUMMARY OF STATUS OF LEGAL CLAIMS AS AT 25 FEBRUARY 2011**

**A. MATERIAL LITIGATION AGAINST THE GROUP**

No.	Parties to the Suit	Case / Summons No.	Court	Latest Status
1	Sierra Atlantic Sdn Bhd vs Com-Line Systems Sdn Bhd ("CLS")	Suit No. : S2-22-622-2008	Kuala Lumpur High Court	Trial dates were originally fixed on 2-3 December 2010. By Court notification letter dated 11 August 2010, the Court had rescheduled the trial dates to 24-25 February 2011 and the parties are in the midst of preparing witness statements to be exchanged in preparation for trial.
2	Risk Management And Safety Pty Ltd vs FORMIS BASS Software Sdn Bhd	Arbitration Proceedings	Singapore International Arbitration Centre	FBS has filed in its Reply to the Notice of Arbitration and a panel of 3 arbitrators has been appointed. The parties are to conduct a preliminary meeting via teleconference in March 2011 to determine the timelines for the Arbitration proceeding.
3	Wills Consulting Pte. Ltd. (Plaintiff) vs Ledge Consulting Pte Ltd (Defendant)  Ledge Consulting Pte Ltd (Plaintiff in Counterclaim) vs 1) Wills Consulting Pte. Ltd and 2) William Toh Geok Kim (Defendants in Counterclaim)	MC Suit No. 530 of 2011/D	Subordinate Court of the Republic of Singapore	Ledge Consulting Pte Ltd ("Ledge") has on 22 February 2011, filed its defence together with a counterclaim against Wills Consulting Pte Ltd ("Wills") and one William Toh Geok Kim for, inter alia, the following:- (a) the sum of SGD1,472,353.46 with interest at the rate of 5.33% per annum from the date of issue of the counterclaim to the date of judgment or payment; (b) alternatively the sum of SGD698,269.35 with interest at the rate of 5.33% per annum from the date of issue of the counterclaim to the date of judgment or payment; and (c) costs.  The counterclaim is in respect of a writ of summons issued by Wills against Ledge claiming for the sum of SGD64,000 being the outstanding payment for consultancy services pursuant to a letter of offer dated 12 July 2010 which is disputed by Ledge.  As the amount of the claim has exceeded the jurisdiction of the Magistrates Court, Ledge has successfully applied to transfer the case to the High Court of the Republic of Singapore.

SUMMARY OF STATUS OF LEGAL CLAIMS AS AT 25 FEBRUARY 2011

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 Order made on 6 January 2011, upon the petition of FNS, the Court ordered that Binet be wound-up in accordance with the Companies Act, 1965. On 16 February 2011, the Court fixed the next case management date to be on 16 March 2011.
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	By Court notification letter dated 9 February 2011, enclosing a sealed copy of the Notice to Attend Pre-Trial Case Management dated 11 January 2011, case management for the matter had been fixed on 11 February 2011. At the case management on 11 February 2011, the Senior Assistant Registrar had directed parties to exchange bundle of pleadings, common bundle of documents and statements of agreed fact and issues to be Tried at the next case management date before the High Court Judge on 2 March 2011.
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	Bankruptcy proceedings have been filed against Devaharan and the sealed bankruptcy notice has been extracted on 10 February 2011. The seal notice is now pending service and execution proceedings being initiated for bankruptcy. A winding-up petition has been filed against APSB on 21 December 2010 and the High Court has fixed the hearing of the winding-up petition on 24 February 2011 and the Court has allowed the winding-up petition on the same day.