

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2011
 (The figures have not been audited)**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	THREE MONTHS ENDED 30 JUNE 2011 RM'000	THREE MONTHS ENDED 30 JUNE 2010 RM'000	THREE MONTHS ENDED 30 JUNE 2011 RM'000	THREE MONTHS ENDED 30 JUNE 2010 RM'000
Revenue	59,805	65,384	59,805	65,384
Cost of sales	(40,128)	(48,441)	(40,128)	(48,441)
Gross profits	19,677	16,943	19,677	16,943
Other income	3,670	11,746	3,670	11,746
Other operating expenses	(18,999)	(21,691)	(18,999)	(21,691)
Finance costs	(1,064)	(1,232)	(1,064)	(1,232)
Profit before tax	3,284	5,766	3,284	5,766
Tax expense	(2,278)	(560)	(2,278)	(560)
Profit for the financial period	1,006	5,206	1,006	5,206
Other comprehensive loss, net of tax				
Foreign currency translation differences for foreign operations	(467)	(8)	(467)	(8)
Other comprehensive loss for the financial period, net of tax	(467)	(8)	(467)	(8)
Total comprehensive income for the financial period	539	5,198	539	5,198
Profit attributable to:-				
Owners of the Company	7,995	6,509	7,995	6,509
Non-controlling interest	(6,989)	(1,303)	(6,989)	(1,303)
Profit for the financial period	1,006	5,206	1,006	5,206
Total comprehensive income attributable to:-				
Owners of the Company	7,698	6,501	7,698	6,501
Non-controlling interest	(7,159)	(1,303)	(7,159)	(1,303)
Total comprehensive income for the financial period	539	5,198	539	5,198
Earnings per ordinary share (sen)				
-Basic	4.30	3.50	4.30	3.50

(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 2011.)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011

	Unaudited As at 30.06.2011 RM'000	Audited As at 31.03.2011 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	4,401	4,593
Investment in an associates	16,800	-
Software development costs	2,561	2,731
Other investments	2,238	2,272
Investment property	32	32
Other receivables	12,476	6,591
Goodwill	127,495	127,495
Deferred tax assets	1,327	1,444
	<u>167,330</u>	<u>145,158</u>
Current Assets		
Other investments	11,941	10,426
Inventories	20,630	18,809
Trade receivables	85,824	88,881
Other receivables, deposits and prepayments	35,433	32,702
Current tax assets	2,599	2,909
Cash and cash equivalents	75,506	80,745
	<u>231,933</u>	<u>234,472</u>
Assets of disposal groups classified as held for sale	3,500	74,000
	<u>402,763</u>	<u>453,630</u>
TOTAL ASSETS		
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	185,901	185,901
Share premium	9,744	9,744
Other reserves	(263)	34
Accumulated losses	(1,049)	(9,044)
	194,333	186,635
Non-controlling interest	12,809	19,768
	<u>207,142</u>	<u>206,403</u>
Non-Current Liabilities		
Borrowings	34,907	34,907
Hire purchase and lease creditors	12,816	7,210
Deferred tax liabilities	1,031	1,253
	<u>48,754</u>	<u>43,370</u>
Current Liabilities		
Trade payables	32,679	32,906
Other payables, deposits and accruals	56,248	61,453
Borrowings	39,234	23,571
Hire purchase and lease creditors	12,455	10,539
Current tax payables	2,751	1,388
	<u>143,367</u>	<u>129,857</u>
Liabilities of disposal groups classified as held for sale	3,500	74,000
	<u>195,621</u>	<u>247,227</u>
TOTAL LIABILITIES	<u>195,621</u>	<u>247,227</u>
TOTAL EQUITY AND LIABILITIES	<u>402,763</u>	<u>453,630</u>
Net assets per share (RM)	<u>1.0454</u>	<u>1.0040</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes to the interim financial report and the audited financial statements for the financial year ended 31 March 2011.)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2011**
(The figures have not been audited)

	<----- Attributable to owners of the Company ----->						
	<----- Non-distributable ----->			Distributable			
	Ordinary shares RM'000	Share premium RM'000	Exchange translation reserve RM'000	Accumulated losses RM'000	Total RM'000	Non-controlling interest RM'000	Total equity RM'000
<u>Three Months Financial Period Ended 30 June 2011</u>							
Balance as at 1 April 2011	185,901	9,744	34	(9,044)	186,635	19,768	206,403
Total comprehensive (loss) / income for the financial period	-	-	(297)	7,995	7,698	(7,159)	539
Capital contribution by non-controlling interest in a subsidiary	-	-	-	-	-	200	200
Balance as at 30 June 2011	<u>185,901</u>	<u>9,744</u>	<u>(263)</u>	<u>(1,049)</u>	<u>194,333</u>	<u>12,809</u>	<u>207,142</u>

	<----- Attributable to owners of the Company ----->						
	<----- Non-distributable ----->			Distributable			
	Ordinary shares RM'000	Share premium RM'000	Exchange translation reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interest RM'000	Total equity RM'000
<u>Three Months Financial Period Ended 30 June 2010</u>							
Balance as at 1 April 2010	185,901	9,744	(85)	24,466	220,026	6,470	226,496
Total comprehensive (loss) / income for the financial period	-	-	(8)	6,509	6,501	(1,303)	5,198
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)	-	(13,943)
Balance as at 30 June 2010	<u>185,901</u>	<u>9,744</u>	<u>(93)</u>	<u>17,032</u>	<u>212,584</u>	<u>25,590</u>	<u>238,174</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 in respect of the financial year ended 31 March 2010.

(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 2011.)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2011**

	THREE MONTHS ENDED 30 JUNE	
	2011	2010
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	3,284	5,766
Adjustment for non-cash items	1,602	(8,641)
Operating loss before working capital changes	4,886	(2,875)
Net changes in assets	63,624	20,187
Net changes in liabilities	(5,187)	(10,995)
Net cash generated from operations	63,323	6,317
Tax paid	(710)	(1,279)
Tax refund	-	88
Net cash from operating activities	62,613	5,126
CASH FLOWS FROM INVESTING ACTIVITIES		
Placement/(Withdrawal) of fixed deposits pledged	282	(680)
Other investments	(2,633)	(149)
Acquisition of subsidiary companies, net of cash and cash equivalents	-	5,073
Acquisition of investments in associated company	(16,800)	-
Interest received	454	385
Dividend received	-	74
Net cash (used in) / from investing activities	(18,697)	4,703
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayment to)/Drawdown from financial institutions	(46,319)	170
Issuance of share capital of a subsidiary to non-controlling interest	200	-
Interest paid	(977)	(1,069)
Net cash used in financing activities	(47,096)	(899)
Net (decrease) / increase in cash and cash equivalents	(3,180)	8,930
Cash and cash equivalents at 1 April 2011/2010*	53,934	70,275
Effect of foreign exchange on opening balance	(442)	(55)
Cash and cash equivalents at 30 June 2011/2010*	50,312	79,150

* 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 2011.)

**Notes to the Interim Financial Report
For the First Quarter Ended 30 June 2011**

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 2011. 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 2011.

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 2011 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 2010 and 1 January 2011 as follows: -

		Effective for financial periods beginning on or after
FRS 1 (Revised)	First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3 (Revised)	Business Combinations	1 July 2010
FRS 127 (Revised)	Consolidated and Separate Financial Statements	1 July 2010
Amendments to FRS 1 (Revised)	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters	1 January 2011
Amendments to FRS 1	Additional Exemptions for First-time Adopters	1 January 2011
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
Amendments to FRS 7	Improving Disclosures about Financial Instruments	1 January 2011
Amendments to FRS 127	Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2011
Amendments to FRS 138	Intangible Assets	1 July 2010
IC Interpretation 4	Determining whether an Arrangement contains a Lease	1 January 2011
IC Interpretation 12	Service Concession Arrangements	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
IC Interpretation 18	Transfer of Assets from Customers	1 January 2011
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives	1 July 2010
Improvements to FRSs (2010)		1 January 2011

Other than the effect of the application of FRS 3 (Revised) and FRS 127 (Revised) 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 3 (Revised): Business

The revised standard continues to apply the acquisition method to business combinations but with some significant changes compared with FRS 3. For example, all payments to purchase a business are recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently remeasured through the profit or loss. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs are expensed. This revised standard will be applied prospectively and therefore there will not have any financial impact on the financial statements of the Group for the current financial period but may impact the accounting for future transactions or arrangements.

(ii) FRS 127 (Revised): Consolidated and Separate Financial Statements

The revised standard requires the effects of all transactions with non-controlling interest to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. All earnings and losses of the subsidiary are attributed to the parent and the non-controlling interests, even if the attribution of losses to the non-controlling interests results in a debit balance in the shareholders' equity. Profit or loss attributable to non-controlling interests for prior years is not restated. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is remeasured to fair value, and a gain or loss is recognised in profit or loss. The Group has adopted this revised standard prospectively to transactions with non-controlling interests from 1 January 2011.

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 2011 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 First Quarter Ended 30 June 2011**

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

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").

On 26 April 2011, the Proposed Free Warrants Issue was completed followed by the listing of and quotation of the 92,950,099 Free Warrants on the Main Market of Bursa Malaysia Securities Bhd. None of the Free Warrants granted by the Company were exercised in the current financial period under review.

Saved as disclosed above, there were no issuance, cancellation, repurchase, resale and repayment of debt securities of the Group and equity securities of the Company in the current financial period under review.

8 Dividends paid

No dividend has been paid in the current financial period under review.

9 Segmental reporting

Business Segments	Distribution RM'000	Networks RM'000	Software RM'000	Solutions RM'000	Systems RM'000	Others RM'000	Eliminations RM'000	Total RM'000
<u>Three Months Financial Period Ended 30 June 2011</u>								
External sales	21,588	5,972	2,629	9,902	18,486	1,228	-	59,805
Inter segment sales	1,498	6	(3,071)	123	765	846	(167)	-
Total Sales	<u>23,086</u>	<u>5,978</u>	<u>(442)</u>	<u>10,025</u>	<u>19,251</u>	<u>2,074</u>	<u>(167)</u>	<u>59,805</u>
Segment results	857	1,820	1,668	188	(30)	(696)	-	3,807
Interest expense								(977)
Interest Income								454
Profit before taxation								<u>3,284</u>
Segment assets	<u>61,505</u>	<u>47,068</u>	<u>28,227</u>	<u>31,767</u>	<u>79,691</u>	<u>154,505</u>	-	<u>402,763</u>
<u>Three Months Financial Period Ended 30 June 2010</u>								
External sales	22,417	4,804	2,359	8,672	25,205	1,927	-	65,384
Inter segment sales	694	1,937	6,975	(354)	667	14,829	(24,748)	-
Total Sales	<u>23,111</u>	<u>6,741</u>	<u>9,334</u>	<u>8,318</u>	<u>25,872</u>	<u>16,756</u>	<u>(24,748)</u>	<u>65,384</u>
Segment results	712	523	1,210	(4,116)	(477)	8,598	-	6,450
Interest expense								(1,069)
Interest Income								385
Profit before taxation								<u>5,766</u>
Segment assets	<u>54,573</u>	<u>44,135</u>	<u>26,060</u>	<u>40,263</u>	<u>87,102</u>	<u>270,043</u>	-	<u>522,176</u>

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

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

**Notes to the Interim Financial Report
For the First Quarter Ended 30 June 2011**

12 Changes in the composition of the group

- (i) On 13 June 2011, Formis Advanced Systems Sdn Bhd ("FAS"), a wholly-owned subsidiary of Man Yau Holdings Berhad ("MYHB"), increased its issued and paid-up share capital from RM2.00 to RM500,000.00 by an allotment of 499,998 ordinary shares of RM1.00 each. MYHB, a wholly-owned subsidiary of the Company subscribed for 299,998 ("Subscription of Shares") ordinary shares of RM1.00 each in FAS for cash at par. Following the Subscription of Shares, the equity interest of the Group via MYHB in FAS has been diluted from 100% to 60%. FAS has been reactivated to handle IT business out of Klang Valley and Petaling Java.
- (ii) On 28 June 2011, the Company announced that Formis Holdings Berhad ("FHB"), a wholly-owned subsidiary of the Group, acquired 21,000,000 ordinary shares of RM1.00 each in Ho Hup Construction Company Berhad ("Ho Hup") for a total cash consideration of RM16,800,000. This represents 20.59% of the total issued and paid-up capital of Ho Hup. Accordingly, Ho Hup become a 20.59% owned associate of the Group.

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

13 Changes in contingent liabilities or contingent assets

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

	RM'm
FRB	
- to financial institution for facilities granted to subsidiary	20.00
- to trade payable for credit term given to a subsidiary	12.54
	22.54
FHB	
- to trade payable for credit term given to a subsidiary	11.40
	11.40

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

FRB	
- to financial institutions for facilities granted to a subsidiary	28.00
	28.00
FRB	
- to trade payable for credit term given to a subsidiary	0.22
	0.22
FHB	
- to trade payable for credit term given to a subsidiary	1.30
	1.30

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 First Quarter Ended 30 June 2011**

1 Review of performance

The Group posted a revenue of RM59.8 million in the current quarter under review, a decrease of approximately 8.53% from RM65.4 million in the corresponding quarter of the preceding financial year. However, our gross profit has improved from RM16.9 million in the corresponding quarter of the preceding financial year to RM19.7 million in the current quarter under review.

The Group achieved a profit before tax of RM3.3 million for the current quarter under review, a decrease of approximately 43.0% if compared to a profit before tax of RM5.8 million in the corresponding quarter of the preceding financial year. This is mainly due to a gain recognized on dilution of equity interest in a subsidiary amounting of RM9.2 million in the corresponding quarter of the preceding financial year.

2 Variation of results against preceding quarter

	3 months ended 30.06.2011 RM'000	3 months ended 31.03.2011 RM'000
Profit / (Loss) before tax	<u>3,284</u>	<u>(26,078)</u>

Compared to the results against the preceding quarter, the group's performance for the current quarter under review has improved from a loss before tax of RM26.1 million to a profit before tax of RM3.3 million. This is due to higher other operating expenses in the preceding quarter which is mainly attributable by:-

- (i) Provision for employee relation expenses amounting to RM6.7 million in the preceding quarter under review;
- (ii) An impairment of goodwill of RM33.1 million in the preceding quarter under review; and
- (iii) An impairment loss on trade receivables of RM4.6 million in the preceding 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

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	THREE MONTHS ENDED 30 JUNE		THREE MONTHS ENDED 30 JUNE	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Current tax expense				
- Malaysian taxation	2,304	492	2,304	492
- Foreign taxation	24	-	24	-
	<u>2,328</u>	<u>492</u>	<u>2,328</u>	<u>492</u>
Under provision in prior period				
- Malaysian taxation	-	-	-	-
- Foreign taxation	55	44	55	44
	<u>55</u>	<u>44</u>	<u>55</u>	<u>44</u>
	<u>2,383</u>	<u>536</u>	<u>2,383</u>	<u>536</u>
Deferred taxation				
- origination and reversal of temporary differences	(105)	24	(105)	24
	<u>2,278</u>	<u>560</u>	<u>2,278</u>	<u>560</u>

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 Sale and Purchase Agreement (S&P) dated 29th September 2008 was entered by the Group to dispose a 31 storey office building complex and a bungalow house for RM70,500,000. The S&P for the disposal has been completed on 31st May 2011. The proceed from the disposal has been used to fully settle all the outstanding banking and credit facilities owing to AmBank by certain subsidiaries of the Group with no further recourse by AmBank for the shortfall between the proceed and the outstanding sum owing to AmBank pursuant to a Rescue Cum Restructuring Scheme undertaken by Man Yau Holdings Berhad ("MYHB"), a wholly-owned subsidiary of FRB.

**Additional information required by Bursa Securities Listing Requirements
For the First Quarter Ended 30 June 2011**

7 Marketable securities

Details of disposal of quoted investments were as follows:

	Current quarter ended 30.06.2011 RM'000	Current year-to- date 30.06.2011 RM'000
Sales proceeds on disposal	489	489
Gain on disposal	14	14

As at 30 June 2011, the quoted investments included in other investments are as follows: -

	Long term RM'000	Short term RM'000	Total RM'000
At cost	2,425	8,300	10,725
Less : Fair value adjustment			
- Opening balance	1,916	2,825	4,741
- Current year	28	1,471	1,499
	1,944	4,296	6,240
At fair value	481	4,004	4,485
At market value	481	4,004	4,485

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").

On 26 April 2011, the Proposed Free Warrants Issue was completed followed by the listing of and quotation of the 92,950,099 Free Warrants on the Main Market of Bursa Malaysia Securities Bhd. None of the Free Warrants granted by the Company were exercised in the current financial period under review.

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 30 June 2011 are as follows:

	RM'000
Short term bank borrowings - secured	42,734
Long term bank borrowings - secured	34,907
Total borrowings	77,641

All borrowings are denominated in Ringgit Malaysia.

10 Realised and unrealised Profits

The breakdown of accumulated loss of the Group as at the reporting date, into realised and unrealised profits, pursuant to the directive issued by Bursa Securities on 25 March 2010 and 20 December 2010, is as follows:

	30.06.2011 RM'000	31.03.2011 RM'000
Total accumulated losses of the Group: -		
- Realised	(1,473)	(9,758)
- Unrealised	296	190
- in respect of deferred tax recognised in the statement of comprehensive income	128	524
- in respect of other items of income and expense		
Total Group accumulated losses as per consolidated accounts	(1,049)	(9,044)

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.

**Additional information required by Bursa Securities Listing Requirements
For the First Quarter Ended 30 June 2011**

11 Off balance sheet financial instruments

There were no off balance sheet financial instruments as at the date of this announcement except for 92,950,099 Warrants issued on 26 April 2011.

12 Changes in material litigation

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

13 Dividends

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

14 Earnings per ordinary share

(a) Basic earnings per ordinary share

Basic earnings per ordinary share for the financial year 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 year.

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	THREE MONTHS ENDED 30 JUNE 2011	THREE MONTHS ENDED 30 JUNE 2010	THREE MONTHS ENDED 30 JUNE 2011	THREE MONTHS ENDED 30 JUNE 2010
Profit after tax and minority interests (RM'000)	7,995	6,509	7,995	6,509
WA number of ordinary shares in issue ('000)	185,901	185,901	185,901	185,901
Basic earnings per ordinary share (sen)	4.30	3.50	4.30	3.50

(b) Fully diluted earnings per ordinary share

No diluted earnings per share is presented for the financial quarter under review as the computation based on the outstanding warrants would have an anti-dilutive effect.

SUMMARY OF STATUS OF LEGAL CLAIMS AS AT 24 AUGUST 2011

A. MATERIAL LITIGATION AGAINST THE GROUP

No.	Parties to the Suit	Case / Summons No.	Court	Latest Status
1	Risk Management And Safety Pty Ltd vs FORMIS BASS Software Sdn Bhd ("FBS")	In The Matter of An Arbitration Under the Arbitration Rules of the Singapore International Arbitration Centre Case No: ARB167/10/MXM	Singapore International Arbitration Centre	<p>Risk Management And Safety Pty Ltd ("RMSS") has initiated a claim against FBS for an alleged breach by FBS of a Software License and Marketing Agreement dated 21 May 2009 entered into between FBS and RMSS ("Software Agreement"). FBS received a Notice of Arbitration 167 of 2010 (ARB 167/10/MXM) under the Singapore International Arbitration Centre Rules 2010 ("Arbitration") dated 8 November 2010 filed by RMSS. The amount claimed is as follows:-</p> <ul style="list-style-type: none"> (a) the sum of USD600,000 together with interest thereon at the rate of 1.5% per month from 22 May 2010 to the date of payment; (b) the costs of the Arbitration; and (c) such further or other relief as the Arbitral Tribunal may deem fit. <p>The Arbitration is in respect of a disagreement on a purported commitment by FBS of a shortfall of USD600,000 in contract revenue to RMSS pursuant to the Software Agreement.</p> <p>FBS has filed in its Reply to the Notice of Arbitration and a panel of 3 arbitrators has been appointed. The parties conducted a preliminary meeting via teleconference on 15 March 2011 to set down the timelines for the Arbitration proceeding.</p> <p>Parties are now at the stage of filing their respective reply witness statements.</p> <p>The pre-trial case management was held on 14 July 2011, while hearing dates have been fixed on 25 to 27 August 2011.</p>
2	<p>Wills Consulting Pte. Ltd. (Plaintiff) vs Ledge Consulting Pte Ltd (Defendant)</p> <p>Ledge Consulting Pte Ltd (Plaintiff in Counterclaim) vs 1) Wills Consulting Pte. Ltd and 2) William Toh Geok Kim (Defendants in Counterclaim)</p>	MC Suit No. 530 of 2011/D	Subordinate Court of the Republic of Singapore	<p>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:-</p> <ul style="list-style-type: none"> (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. <p>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.</p> <p>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.</p>

SUMMARY OF STATUS OF LEGAL CLAIMS AS AT 24 AUGUST 2011

B. MATERIAL LITIGATION FOR THE GROUP

No.	Parties to the Suit	Case / Summons No.	Court	Latest Status
1	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	<p>In brief, Com-Line's claim against the Defendant is for the sum of RM153,700.00 in respect of software services rendered to XYbase.</p> <p>At the case management hearing on 2 March 2011, the Court granted an extension to the parties to exchange and file the common bundle of documents and statement of agreed facts and issues by 11 April 2011. The matter was fixed for trial on 24th to 26th August 2011. When parties attended court for trial on 24.8.2011, the learned Judge opined that Parties should try to resolve this matter. Parties then proceeded to enter into a consent judgment to settle the matter wherein XYbase shall pay Com-Line the sum of RM85,000.00 within thirty (30) days from 24.8.2011 as full and final settlement of Com-Line's claim against XYbase, with no order as to costs.</p>
2	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>A winding up order against APSB was obtained on 24.2.2011.</p> <p>On 30 March 2011, FRB has filed its Proof of Debt ("POD") against APSB. The Certified True Copy of the Winding Up Order was served on the Official Assignee on 14.6.2011 and FRB is currently waiting for the Official Assignee to fix a creditors meeting.</p> <p>For the bankruptcy proceedings against Devaharan, FRB had on 28 February 2011 served the Bankruptcy Notice on Devaharan and filed the affidavit of service of the Bankruptcy Notice on 23 March 2011. The creditor's petition had been filed on 13 May 2011 and is currently pending extraction from the Court.</p>

SUMMARY OF STATUS OF LEGAL CLAIMS AS AT 24 AUGUST 2011

B. MATERIAL LITIGATION FOR THE GROUP

No.	Parties to the Suit	Case / Summons No.	Court	Latest Status
3	ISS Consulting (M) Sdn Bhd ("ISS (M)") v TSH Resources Berhad		Regional Centre for Arbitration at Kuala Lumpur	<p>ISS (M) has served a Notice of Arbitration dated 2 June 2011 on TSH Resources Berhad ("the Respondent") under the Arbitration Act 2005 in the Regional Centre for Arbitration at Kuala Lumpur ("Arbitration"). The amount claimed is as follows :</p> <ul style="list-style-type: none"> (a) the following special damages: <ul style="list-style-type: none"> i) outstanding sums of RM1,770,560.00 pursuant to invoices issued; ii) outstanding costs on a time and material basis amounting to RM2,193,148.56; iii) air travel, visa applications and accommodation amounting to RM87,403.00; (b) further or alternatively general damages for ISS (M)'s losses and damages; (c) interest on the damages and/or sums awarded at such rate and for such period as deemed fit and just by the Arbitrators; and (d) legal costs and costs of the arbitration proceedings to be borne by the Respondent. <p>The Arbitration is based on the outstanding claims due and owing to ISS (M) by the Respondent, including but not limited to monies due and owing in respect of outstanding invoices for works and/or services done and/or rendered, and expenses incurred by ISS (M) pursuant to the Master Consultancy Services Agreement dated 15 February 2008 and the Supplemental Agreement dated 2 October 2009 entered into between ISS (M) and the Respondent which have been terminated by the mutual consent of both parties.</p> <p>TSH has on 18 August 2011 served their Notice of Arbitration dated 18 August 2011 on ISS (M) which contains in essence a counter claim for general damages to be assessed by the arbitral tribunal, other reliefs and remedies deemed fit; interests and legal costs of the arbitration. TSH has therefore requested that their notice of arbitration and ISS (M)'s Notice of Arbitration be heard by the same arbitrator. TSH is however not agreeable to the arbitrator ISS (M) has proposed and has proposed a different arbitrator. TSH has asked ISS (M) to respond to their proposed arbitrator within 30 days. ISS (M) is in the midst of obtaining its solicitors advice on the next course of action.</p>