

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2011
 (The figures have not been audited)**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	THREE MONTHS ENDED 31 DECEMBER 2011 RM'000	2010 RM'000	NINE MONTHS ENDED 31 DECEMBER 2011 RM'000	2010 RM'000
Revenue	64,360	75,295	210,644	219,320
Cost of sales	(46,375)	(58,648)	(156,730)	(167,810)
Gross profits	17,985	16,647	53,914	51,510
Other income	1,511	1,597	7,829	14,873
Other operating expenses	(16,200)	(15,841)	(53,578)	(58,137)
Finance costs	(1,767)	(1,183)	(4,382)	(3,839)
Share of results of associates	(718)	-	(588)	-
Profit before tax	811	1,220	3,195	4,407
Tax expense	(620)	(1,189)	(4,132)	(2,597)
Profit / (Loss) for the financial period	191	31	(937)	1,810
Other comprehensive income / (loss), net of tax				
Foreign currency translation differences for foreign operations	352	(65)	(136)	465
Other comprehensive income / (loss) for the financial period, net of tax	352	(65)	(136)	465
Total comprehensive income / (loss) for the financial period	543	(34)	(1,073)	2,275
Profit / (Loss) attributable to:-				
Owners of the Company	627	1,700	8,212	5,796
Non-controlling interest	(436)	(1,669)	(9,149)	(3,986)
Profit / (Loss) for the financial period	191	31	(937)	1,810
Total comprehensive income / (loss) attributable to:-				
Owners of the Company	864	1,616	8,146	6,090
Non-controlling interest	(321)	(1,650)	(9,219)	(3,815)
Total comprehensive income / (loss) for the financial period	543	(34)	(1,073)	2,275
Earnings per ordinary share (sen)				
-Basic	0.34	0.91	4.42	3.12

(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 31 DECEMBER 2011**

	Unaudited As at 31.12.2011 RM'000	Audited As at 31.03.2011 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	4,115	4,593
Investment in associates	16,259	-
Software development costs	1,937	2,731
Other investments	3,032	2,272
Investment property	32	32
Other receivables	11,603	6,591
Goodwill	127,495	127,495
Deferred tax assets	819	1,444
	<u>165,292</u>	<u>145,158</u>
Current Assets		
Other investments	11,640	10,426
Inventories	11,936	18,809
Trade receivables	69,912	88,881
Other receivables, deposits and prepayments	30,514	32,702
Current tax assets	2,763	2,909
Cash and cash equivalents	80,383	80,745
	<u>207,148</u>	<u>234,472</u>
Assets of disposal groups classified as held for sale	3,500	74,000
	<u>375,940</u>	<u>453,630</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	185,901	185,901
Share premium	9,744	9,744
Other reserves	(32)	34
Accumulated losses	(832)	(9,044)
	<u>194,781</u>	<u>186,635</u>
Non-controlling interest	10,749	19,768
	<u>205,530</u>	<u>206,403</u>
Non-Current Liabilities		
Borrowings	-	34,907
Hire purchase and lease creditors	16,652	7,210
Provision for post employment benefits	44	-
Deferred tax liabilities	1,232	1,253
	<u>17,928</u>	<u>43,370</u>
Current Liabilities		
Trade payables	25,196	32,906
Other payables, deposits and accruals	49,088	61,453
Borrowings	60,696	23,571
Hire purchase and lease creditors	12,183	10,539
Current tax payables	1,819	1,388
	<u>148,982</u>	<u>129,857</u>
Liabilities of disposal groups classified as held for sale	3,500	74,000
	<u>170,410</u>	<u>247,227</u>
TOTAL LIABILITIES	<u>375,940</u>	<u>453,630</u>
TOTAL EQUITY AND LIABILITIES	<u>375,940</u>	<u>453,630</u>
Net assets per share (RM)	<u>1.0478</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 31 DECEMBER 2011**
(The figures have not been audited)

	<----- Attributable to owners of the Company ----->						Total equity RM'000
	<----- 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	
<u>Nine Months Financial Period Ended 31 December 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	-	-	(66)	8,212	8,146	(9,219)	(1,073)
Capital contribution by non-controlling interest in a subsidiary	-	-	-	-	-	200	200
Balance as at 31 December 2011	<u>185,901</u>	<u>9,744</u>	<u>(32)</u>	<u>(832)</u>	<u>194,781</u>	<u>10,749</u>	<u>205,530</u>

	<----- Attributable to owners of the Company ----->						Total equity RM'000
	<----- 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	
<u>Nine Months Financial Period Ended 31 December 2010</u>							
Balance as at 1 April 2010	185,901	9,744	(85)	24,466	220,026	6,470	226,496
Total comprehensive income / (loss) for the financial period	-	-	294	5,796	6,090	(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)	-	(13,943)
Balance as at 31 December 2010	<u>185,901</u>	<u>9,744</u>	<u>209</u>	<u>16,319</u>	<u>212,173</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 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 31 DECEMBER 2011**

	NINE MONTHS ENDED 31 DECEMBER	
	2011 RM'000	2010 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	3,195	4,407
Adjustment for non-cash items:		
Depreciation and amortisation	1,643	1,850
Gain on dilution of equity interest in a subsidiary	-	(9,221)
(Gain) / Loss on disposal of other investments	(29)	146
Impairment losses	1,131	589
Loss on disposal of property, plant and equipment	175	596
Net loss / (gain) on fair value adjustments on other investments	389	(283)
Share of results of associates	588	-
Unrealised gain on foreign currency exchange	(62)	(830)
Other non-cash items	3,567	2,152
	<u>10,597</u>	<u>(594)</u>
Operating profit / (loss) before working capital changes		
Net changes in assets	21,842	21,584
Net changes in liabilities	(20,035)	(18,341)
	<u>12,404</u>	<u>2,649</u>
Net cash generated from operations		
Tax paid	(3,775)	(3,490)
Tax refund	825	1,099
	<u>9,454</u>	<u>258</u>
Net cash from operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(994)	(1,278)
Proceeds from disposal of property, plant and equipment	362	164
Proceeds from disposal of development properties	70,500	-
Placement of fixed deposits pledged	(346)	(4,229)
Purchase of other investments	(3,975)	(1,733)
Proceeds from disposal of other investments	1,641	276
Acquisition of subsidiary companies, net of cash and cash equivalents	-	5,073
Acquisition of investments in associates	(16,875)	-
Interest received	1,395	1,146
Dividend received	11	90
	<u>51,719</u>	<u>(491)</u>
Net cash from / (used in) investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	36,382	13,168
Repayment of borrowings	(91,391)	(31,647)
Issuance of share capital of a subsidiary to non-controlling interest	200	-
Interest paid	(4,124)	(3,494)
	<u>(58,933)</u>	<u>(21,973)</u>
Net cash used in financing activities		
Net increase / (decrease) in cash and cash equivalents	2,240	(22,206)
Cash and cash equivalents at 1 April 2011/2010*	53,934	70,275
Effect of foreign exchange on opening balance	(143)	345
	<u>56,031</u>	<u>48,414</u>
Cash and cash equivalents at 31 December 2011/2010*		

* 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 Third Quarter Ended 31 December 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, 1 January 2011 and 1 July 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 2	Scope of FRS 2 and FRS 3 (Revised)	1 July 2010
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions	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
Amendments to IC Interpretation 14 FRS 119	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 July 2011
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
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 Third Quarter Ended 31 December 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>Nine Months Financial Period Ended 31 December 2011</u>								
External sales	100,242	14,379	6,315	22,199	66,378	1,131	-	210,644
Inter segment sales	5,479	7,360	5,761	2,251	2,557	4,175	(27,583)	-
Total Sales	105,721	21,739	12,076	24,450	68,935	5,306	(27,583)	210,644
Segment results	3,780	4,076	4,915	(7,482)	845	378	-	6,512
Share of results of associates								(588)
Interest expense								(4,124)
Interest Income								1,395
Profit before taxation								<u>3,195</u>
Segment assets	61,787	34,564	19,661	21,357	83,920	154,651	-	375,940
<u>Nine Months Financial Period Ended 31 December 2010</u>								
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	77,039	20,748	39,288	23,636	91,738	21,524	(54,653)	219,320
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	45,066	42,941	24,880	35,980	87,939	266,780	-	503,586

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 Third Quarter Ended 31 December 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 Jaya.
- (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 equity interests in Ho Hup. Accordingly, Ho Hup becomes a 20.59% owned associate of the Group.
- (iii) On 19 September 2011, the Company announced that Nostalgic Properties Sdn Bhd ("NPSB"), a wholly-owned subsidiary of MYHB, entered into a Shareholders' Agreement ("Shareholders' Agreement") together with Topacres Sdn Bhd ("TSB"), a wholly-owned subsidiary of Insas Berhad ("Insas") and Red Zone Development Sdn Bhd ("RZD") to regulate their relationships as shareholders of Montprimo Sdn Bhd (formerly known as Macrodon Sdn Bhd) ("MSB"), which will be undertaking the business of property development. As stated in the Shareholders' Agreement, NPSB agreed to subscribe 75,000 ordinary shares at an issue price of RM1.00 each and 2,925,000 redeemable preference shares at an issue price of RM1.00 each in MSB. As at the end of the current financial quarter under review, NPSB has subscribed in cash 75,000 ordinary shares at an issue price of RM1.00 each and 975,000 redeemable preference shares at an issue price of RM1.00 each in MSB totalling RM1,050,000, representing 30% of the equity interests in MSB. Accordingly, MSB becomes a 30% 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 Guarantees cancelled by the following Company during the current financial quarter under review are as follows:-

FRB

- to financial institution for facilities granted to a subsidiary
- to leasing party for leasing facilities to a subsidiary

2.00
0.07

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 2011**

1 Detailed analysis of performance

The Group recorded a revenue of RM64.4 million in the current quarter under review, a decrease of approximately 14.5% from RM75.3 million in the corresponding quarter of the preceding financial year. The Group recorded RM210.6 million of revenue in the financial period under review, a decrease of approximately 4.0% from RM219.3 million in the corresponding financial period of the preceding financial year. The detailed breakdown of revenue by business segments of the Group are as follows: -

	INDIVIDUAL QUARTER THREE MONTHS ENDED 31 DECEMBER		CUMULATIVE PERIOD NINE MONTHS ENDED 31 DECEMBER	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Distribution	33,014	19,702	105,721	77,039
Networks	11,902	7,449	21,739	20,748
Software	3,912	19,634	12,076	39,288
Solutions	6,359	6,316	24,450	23,636
Systems	23,502	38,591	68,935	91,738
Others	2,564	2,387	5,306	21,524
	81,253	94,079	238,227	273,973
Less : Inter Segment Revenue	(16,893)	(18,784)	(27,583)	(54,653)
Total Group Revenue	64,360	75,295	210,644	219,320

The decrease in revenue for the current quarter under review particularly under Systems and Software segments are mainly due to lesser contract secured and lower billing during the current quarter under review.

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

	INDIVIDUAL QUARTER THREE MONTHS ENDED 31 DECEMBER		CUMULATIVE PERIOD NINE MONTHS ENDED 31 DECEMBER	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Distribution	402	222	4,108	2,831
Networks	2,472	1,320	4,333	3,258
Software	(378)	3,822	5,078	4,576
Solutions	(2,085)	(4,677)	(7,565)	(13,410)
Systems	739	535	914	(793)
Others	(339)	(2)	(3,673)	7,945
Total	811	1,220	3,195	4,407

The Group recorded a profit before tax of RM0.8 million for the current quarter under review as compared to a profit before tax of RM1.2 million in the corresponding quarter of the preceding financial year. This is mainly due to decrease in billing and lower gross profit margin in Software segments in the current quarter under review.

The Group recorded a profit before tax of RM3.2 million for the current financial period-to-date, a decrease by approximately RM1.2 million compared to the corresponding period of the preceding financial year. The higher profit before tax recorded in the corresponding period of the preceding financial year was mainly due to the recognition of a gain on dilution of equity interest in a subsidiary amounting to RM9.2 million. The Group's performance has improved operationally compared to the corresponding period of the preceding financial year if we disregard the gain from the dilution of equity in a subsidiary recognised in the corresponding period of the preceding financial year. The employee related expenses under Solutions segment decreased by approximately RM3.6 million resulting from improvement in operational efficiency.

2 Variation of results against preceding quarter

	3 months ended 31.12.2011 RM'000	3 months ended 30.09.2011 RM'000
Profit / (Loss) before tax	811	(900)

The group posted a profit before tax of RM0.8 million for the current quarter under review as compared to a loss before tax of RM0.9 million for the preceding quarter. This is mainly due to improvement of gross profit margin under Solutions segment.

3 Current year prospects

Taking into consideration of the contracts secured to-date by the business segments of the Group as listed below, the Board of Directors expects the performance for the Group for the next financial quarter to be satisfactory.

	31.12.2011 RM'000
Distribution	48,402
Networks	20,631
Software	1,564
Solutions	12,087
Systems	83,500
Total	166,184

4 Profit forecast

Not applicable.

**Additional information required by Bursa Securities Listing Requirements
For the Third Quarter Ended 31 December 2011**

5 Income tax expense

	INDIVIDUAL QUARTER THREE MONTHS ENDED 31 DECEMBER		CUMULATIVE PERIOD NINE MONTHS ENDED 31 DECEMBER	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Current tax expense				
- Malaysian taxation	36	1,194	3,329	2,189
- Foreign taxation	(46)	-	204	-
	(10)	1,194	3,533	2,189
(Over) / under provision in prior period				
- Malaysian taxation	(63)	102	(63)	102
- Foreign taxation	1	128	56	182
	(62)	230	(7)	284
Deferred taxation				
- origination and reversal of temporary differences	692	(235)	606	124
	620	1,189	4,132	2,597

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 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.

7 Borrowings and debts securities

The Group's bank borrowings as at 31 December 2011 are as follows:

	RM'000
Short term bank borrowings - secured	64,196

All borrowings are denominated in Ringgit Malaysia.

8 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:

	31.12.2011 RM'000	30.09.2011 RM'000
Total accumulated losses of the Group: -		
- Realised	(471)	(1,774)
- Unrealised	(414)	278
- in respect of deferred tax recognised in the statement of comprehensive income		
- in respect of other items of income and expense	53	37
Total Group accumulated losses as per consolidated financial statements	(832)	(1,459)

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.

9 Changes in material litigation

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

10 Dividends

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

**Additional information required by Bursa Securities Listing Requirements
For the Third Quarter Ended 31 December 2011**

11 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 THREE MONTHS ENDED 31 DECEMBER		CUMULATIVE PERIOD NINE MONTHS ENDED 31 DECEMBER	
	2011	2010	2011	2010
	Profit after tax and minority interests (RM'000)	627	1,700	8,212
WA number of ordinary shares in issue ('000)	185,901	185,901	185,901	185,901
Basic earnings per ordinary share (sen)	0.34	0.91	4.42	3.12

(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.

12 Profit before tax

	INDIVIDUAL QUARTER THREE MONTHS ENDED 31 DECEMBER		CUMULATIVE PERIOD NINE MONTHS ENDED 31 DECEMBER	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
	Profit before tax is arrived at after charging: -			
Amortisation of MUNIF transaction cost	40	49	119	146
Bad debts written off	170	-	329	-
Depreciation and amortisation	501	628	1,643	1,850
Fair value loss on other investment	29	-	-	-
Impairment loss on:				
- trade receivables	755	189	3,184	1,650
- software development	305	-	305	-
- other investments	-	-	1,257	158
Interest expenses	1,672	1,106	4,124	3,494
Inventories written off	-	-	116	26
Loss on disposal of:				
- property, plant and equipment	85	9	177	677
- other investments	-	20	15	146
Property, plant and equipment written off	4	-	285	38
Realised loss on foreign currency transactions	73	93	181	102
Share of results of associates	718	-	588	-
Unrealised loss on foreign currency translation	399	17	226	17
And crediting: -				
Dividend income	5	2	11	406
Fair value gain on other investment	192	-	868	-
Gain on disposal of:				
- property, plant and equipment	-	-	2	81
- other investments	-	-	45	-
- subsidiary	-	-	-	9,221
Interest income	476	404	1,395	1,146
Reversal of impairment loss on:				
- trade receivables	541	627	2,357	841
- inventories	-	217	-	220
- other investments	368	98	-	440
Realised gain on foreign currency transactions	136	265	844	855
Unrealised gain on foreign currency translation	-	275	288	847

SUMMARY OF STATUS OF MATERIAL LITIGATIONS AS AT 23 FEBRUARY 2012

A. MATERIAL LITIGATION AGAINST THE GROUP

No.	Parties to the Suit	Case / Summons No.	Court	Latest Status
1	Risk Management And Safety Pty Ltd ("RMSS") 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	RMSS filed its reply submissions on 15th December 2011. Parties are waiting for the decision of the tribunal.
2	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)	Suit No. 427 of 2011/A	High Court of the Republic of Singapore	Parties have entered into a settlement agreement on 27th December.2011. The matter has been fixed for further Pre-Trial Conference on 8th March 2012 pending full compliance with the settlement terms.

B. MATERIAL LITIGATION FOR THE GROUP

No.	Parties to the Suit	Case / Summons No.	Court	Latest Status
1	Formis Resources Berhad ("FRB") vs. Devaharan a/l Appukutten ("Devaharan")	Shah Alam High Court Bankruptcy No.: 29-10260-2010	Shah Alam High Court	Parties are trying to settle this matter amicably and the hearing of the petition has been postponed to 24th February 2012 pending the outcome of these settlement negotiations.
2	ISS Consulting (M) Sdn Bhd ("ISS (M)") v TSH Resources Berhad		Regional Centre for Arbitration at Kuala Lumpur	A sole arbitrator, mutually agreed to by ISS (M) and TSH, has been appointed on 31 January 2012. The preliminary meeting before the arbitrator has been fixed on 1st March 2012.