

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012**
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	THREE MONTHS ENDED 31 MARCH 2012 RM'000	2011 RM'000	TWELVE MONTHS ENDED 31 MARCH 2012 RM'000	2011 RM'000
Revenue	84,534	92,036	295,178	311,356
Cost of sales	(70,515)	(60,664)	(227,245)	(228,474)
Gross profits	14,019	31,372	67,933	82,882
Other income	2,343	4,140	10,172	19,013
Other operating expenses	(25,445)	(60,206)	(79,023)	(118,343)
Finance costs	(1,678)	(1,384)	(6,060)	(5,223)
Share of results of associates	(781)	-	(1,369)	-
Loss before tax	(11,542)	(26,078)	(8,347)	(21,671)
Tax expense	(943)	(2,513)	(5,075)	(5,110)
Loss for the financial year	(12,485)	(28,591)	(13,422)	(26,781)
Other comprehensive income / (loss), net of tax				
Foreign currency translation differences for foreign operations	406	(257)	270	208
Other comprehensive income / (loss) for the financial year, net of tax	406	(257)	270	208
Total comprehensive loss for the financial year	(12,079)	(28,848)	(13,152)	(26,573)
(Loss) / profit attributable to:-				
Owners of the Company	(19,394)	(25,364)	(11,182)	(19,568)
Non-controlling interest	6,909	(3,227)	(2,240)	(7,213)
Loss for the financial year	(12,485)	(28,591)	(13,422)	(26,781)
Total comprehensive (loss) / income attributable to:-				
Owners of the Company	(19,076)	(25,515)	(10,930)	(19,425)
Non-controlling interest	6,997	(3,333)	(2,222)	(7,148)
Total comprehensive loss for the financial year	(12,079)	(28,848)	(13,152)	(26,573)
Loss per ordinary share (sen)				
-Basic	(10.43)	(13.64)	(6.02)	(10.53)

(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 MARCH 2012**

	Unaudited As at 31.03.2012 RM'000	Audited As at 31.03.2011 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	3,826	4,593
Investment in associates	15,534	-
Software development costs	1,752	2,731
Other investments	5,751	2,272
Investment property	32	32
Other receivables	13,056	6,591
Goodwill	124,495	127,495
Deferred tax assets	785	1,444
	<u>165,231</u>	<u>145,158</u>
Current Assets		
Other investments	10,754	10,426
Inventories	14,378	18,809
Trade receivables	84,261	88,881
Other receivables, deposits and prepayments	35,286	32,702
Current tax assets	2,362	2,909
Cash and cash equivalents	61,262	80,745
	<u>208,303</u>	<u>234,472</u>
Assets of disposal groups classified as held for sale	3,500	74,000
	<u>377,034</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	286	34
Accumulated losses	(17,381)	(9,044)
	<u>178,550</u>	<u>186,635</u>
Non-controlling interest	14,901	19,768
	<u>193,451</u>	<u>206,403</u>
Non-Current Liabilities		
Borrowings	-	34,907
Hire purchase and lease creditors	14,223	7,210
Provision for post employment benefits	87	-
Deferred tax liabilities	816	1,253
	<u>15,126</u>	<u>43,370</u>
Current Liabilities		
Trade payables	22,649	32,906
Other payables, deposits and accruals	64,875	61,453
Borrowings	62,139	23,571
Hire purchase and lease creditors	14,520	10,539
Current tax payables	774	1,388
	<u>164,957</u>	<u>129,857</u>
Liabilities of disposal groups classified as held for sale	3,500	74,000
	<u>183,583</u>	<u>247,227</u>
TOTAL EQUITY AND LIABILITIES	<u>377,034</u>	<u>453,630</u>
Net assets per share (RM)	<u>0.9605</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 YEAR ENDED 31 MARCH 2012**
(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>Twelve Months Financial Year Ended 31 March 2012</u>							
Balance as at 1 April 2011	185,901	9,744	34	(9,044)	186,635	19,768	206,403
Total comprehensive income / (loss) for the financial year	-	-	252	(11,182)	(10,930)	(2,222)	(13,152)
Arising from dilution of equity interest in a subsidiary	-	-	-	2,845	2,845	(2,645)	200
Balance as at 31 March 2012	<u>185,901</u>	<u>9,744</u>	<u>286</u>	<u>(17,381)</u>	<u>178,550</u>	<u>14,901</u>	<u>193,451</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 / (Accumulated losses) RM'000	Total RM'000	Non-controlling interest RM'000	Total equity RM'000
<u>Twelve Months Financial Year Ended 31 March 2011</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 year	-	-	143	(19,568)	(19,425)	(7,149)	(26,574)
Acquisition of subsidiary companies	-	-	(24)	-	(24)	12,314	12,290
Arising from dilution of equity interest in a subsidiary	-	-	-	-	-	8,133	8,133
Interim dividend #	-	-	-	(13,942)	(13,942)	-	(13,942)
Balance as at 31 March 2011	<u>185,901</u>	<u>9,744</u>	<u>34</u>	<u>(9,044)</u>	<u>186,635</u>	<u>19,768</u>	<u>206,403</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 YEAR ENDED 31 MARCH 2012**

	TWELVE MONTHS ENDED 31 MARCH	
	2012	2011
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(8,347)	(21,671)
Adjustment for non-cash items:		
Bad debts written off	2,928	450
Depreciation and amortisation	2,078	2,346
Fair value adjustments on trade receivables	-	387
Gain on dilution of equity interest in a subsidiary	-	(9,221)
Loss on disposal of a subsidiary	674	-
Impairment losses	7,166	37,339
Net loss on fair value adjustments on other investments	289	482
Net loss / (gain) on disposal of other investments	6	(1,259)
Net loss on disposal of property, plant and equipment	181	170
Net unrealised loss / (gain) on foreign currency exchange	180	(1,168)
Reversal of impairment loss on trade receivables	(3,179)	(1,230)
Share of results of associates	1,369	-
Other non-cash items	5,449	3,574
	<u>8,794</u>	<u>10,199</u>
Operating profit before working capital changes	8,794	10,199
Net changes in assets	(5,292)	17,572
Net changes in liabilities	(6,579)	(10,072)
	<u>(3,077)</u>	<u>17,699</u>
Net cash (used in) / generated from operations	(3,077)	17,699
Tax paid	(5,829)	(4,227)
Tax refund	870	1,412
Net cash (used in) / from operating activities	<u>(8,036)</u>	<u>14,884</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investment in associates	(16,875)	-
Acquisition of subsidiary companies, net of cash and cash equivalents	-	5,073
Disposal of shareholding in a subsidiary, net of cash	(14)	-
Dividend received	75	19
Interest received	1,821	1,523
Placement of fixed deposits pledged	(1,504)	(1,786)
Proceeds from disposal of development properties	70,500	-
Proceeds from disposal of other investments	2,572	2,068
Proceeds from disposal of property, plant and equipment	509	185
Purchase of other investments	(6,675)	(6,509)
Purchase of property, plant and equipment	(1,342)	(1,642)
Net cash from / (used in) investing activities	<u>49,067</u>	<u>(1,069)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown from borrowings	41,686	13,527
Repayment of borrowings	(96,616)	(39,100)
Issuance of share capital of a subsidiary to non-controlling interest	200	-
Interest paid	(5,741)	(4,786)
Net cash used in financing activities	<u>(60,471)</u>	<u>(30,359)</u>
Net decrease in cash and cash equivalents	(19,440)	(16,544)
Cash and cash equivalents at 1 April 2011/2010*	53,934	70,275
Effect of foreign exchange on opening balance	19	203
Cash and cash equivalents at 31 March 2012/2011*	<u>34,513</u>	<u>53,934</u>

* 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 Four Quarter Ended 31 March 2012**

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 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
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 year under review.

5 Unusual items due to their nature, size or incidence

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

**Notes to the Interim Financial Report
For the Four Quarter Ended 31 March 2012**
6 Material changes in estimates

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

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 year under review.

8 Dividends paid

No dividends have been paid during the current financial year 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>Twelve Months Financial Year Ended 31 March 2012</u>								
External sales	142,596	17,239	6,750	29,282	98,176	1,135	-	295,178
Inter segment sales	10,097	18,073	5,800	1,662	3,606	83,604	(122,842)	-
Total Sales	<u>152,693</u>	<u>35,312</u>	<u>12,550</u>	<u>30,944</u>	<u>101,782</u>	<u>84,739</u>	<u>(122,842)</u>	<u>295,178</u>
Segment results	4,348	6,877	(760)	(11,438)	2,065	(4,150)	-	(3,058)
Share of results of associates								(1,369)
Interest expense								(5,741)
Interest Income								1,821
Loss before taxation								<u>(8,347)</u>
Segment assets	<u>68,698</u>	<u>35,090</u>	<u>19,290</u>	<u>20,712</u>	<u>80,544</u>	<u>152,700</u>	<u>-</u>	<u>377,034</u>
<u>Twelve Months Financial Year Ended 31 March 2011</u>								
External sales	98,539	27,056	10,199	33,512	135,628	6,422	-	311,356
Inter segment sales	8,848	4,846	63,570	750	3,048	26,348	(107,410)	-
Total Sales	<u>107,387</u>	<u>31,902</u>	<u>73,769</u>	<u>34,262</u>	<u>138,676</u>	<u>32,770</u>	<u>(107,410)</u>	<u>311,356</u>
Segment results	3,597	7,010	6,301	(21,192)	(255)	(13,869)	-	(18,408)
Interest expense								(4,786)
Interest Income								1,523
Loss before taxation								<u>(21,671)</u>
Segment assets	<u>57,722</u>	<u>47,342</u>	<u>21,858</u>	<u>30,618</u>	<u>85,023</u>	<u>211,067</u>	<u>-</u>	<u>453,630</u>

10 Carrying amount of revalued assets

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

11 Subsequent events

- (i) On 8 May 2012, the Company announced that the Company and Formis Holdings Berhad ("FHB"), a wholly-owned subsidiary of the Company (the "Vendors"), entered into a Heads of Agreement ("HOA") with Microlink Solutions Berhad ("Micro" or the "Purchaser") pursuant to which the Vendors propose to undertake the disposal of all of their shareholdings in the following subsidiary companies to Micro for an indicative disposal consideration of RM102.0 million ("Disposal Consideration") to be satisfied via the issuance of 463,636,363 new ordinary shares of RM0.10 each in Micro ("Micro Share(s)") or ("Settlement Shares") at an issue price of RM0.22 per Micro Share:-
- (a) 100% equity interest in Applied Business Systems Sdn Bhd ("ABS") held by the Company;
- (b) 100% equity interest in Formis Computer Services Sdn Bhd ("FCS") held by FHB;
- (c) 51% equity interest in First Solution Sdn Bhd ("FSSB") held by FHB; and
- (d) 100% equity interest in Formis Systems & Technology Sdn Bhd ("FST") held by the Company.
- (ii) On 17 May 2012, the Company announced that FHB had on 16 May 2012 acquired 25,483,100 ordinary shares of RM0.10 each in Micro representing 20% of the total issued and paid-up share capital of Micro from Technology World Company ("TWC") for a total cash consideration of RM4,586,958 ("Consideration"). In addition to the Consideration, FHB is to pay and settle the amount owing from TWC to Microlink Worldwide Sdn Bhd, a wholly-owned subsidiary of Micro of a sum of RM450,000 ("Amount Owing"). Apart from FHB's obligation to settle the Amount Owing, there are no other liabilities to be assumed by FHB pursuant to the Acquisition. Accordingly, Micro becomes a 20% owned associate of the Group.

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

**Notes to the Interim Financial Report
For the Four Quarter Ended 31 March 2012**

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 became 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 30% of ordinary shares at an issue price of RM1.00 each and 30% of redeemable preference shares at an issue price of RM1.00 each in MSB. As at the end of the current financial year under review, NPSB has subscribed in cash 75,000 ordinary shares at an issue price of RM1.00 each and 3,675,000 redeemable preference shares at an issue price of RM1.00 each in MSB totalling RM3,750,000, representing 30% of the equity interests in MSB. Accordingly, MSB became a 30% owned associate of the Group.

Saved as disclosed above, there were no other changes in the composition of the Group during the current financial year under review.

13 Changes in contingent liabilities or contingent assets

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

FRB	
- to financial institution for facilities granted to a subsidiary	4.00
- to leasing party for leasing facilities to subsidiaries	<u>2.00</u>
FHB	
- to leasing party for leasing facilities to a subsidiary	<u>6.05</u>

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

FHB	
- to leasing party for leasing facilities to a subsidiary	<u>5.62</u>

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

14 Capital commitments

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

**Additional information required by Bursa Securities Listing Requirements
For the Four Quarter Ended 31 March 2012**

1 Detailed analysis of performance

The Group recorded a revenue of RM84.5 million in the current quarter under review, a decrease of approximately 8.2% from RM92.0 million in the corresponding quarter of the preceding financial year.

For the financial year ended 31 March 2012, the Group recorded RM295.2 million of revenue, a decrease of approximately 5.2% from RM311.4 million in the preceding financial year.

The detailed breakdown of revenue by business segments of the Group is as follows: -

	INDIVIDUAL QUARTER THREE MONTHS ENDED 31 MARCH		CUMULATIVE PERIOD TWELVE MONTHS ENDED 31 MARCH	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Distribution	46,972	30,348	152,693	107,387
Networks	13,573	11,154	35,312	31,902
Software	474	34,481	12,550	73,769
Solutions	6,494	10,626	30,944	34,262
Systems	32,847	46,938	101,782	138,676
Others	79,433	11,246	84,739	32,770
	<u>179,793</u>	<u>144,793</u>	<u>418,020</u>	<u>418,766</u>
Less : Inter Segment Revenue	(95,259)	(52,757)	(122,842)	(107,410)
Total Group Revenue	<u>84,534</u>	<u>92,036</u>	<u>295,178</u>	<u>311,356</u>

For the Distribution segment, the increase in revenue by approximately RM45.3 million for the current financial year and RM16.6 million for the current quarter under review is mainly due to more significant contracts secured during the financial year under review.

For the Networks segment, the increase in revenue by approximately RM3.4 million for the current financial year and RM2.4 million for the current quarter is mainly due to more contracts secured including a significant contract from a telco service provider during the financial year under review.

The Software segment's revenue has decreased in the current quarter and current financial year under review by approximately RM34.0 million and RM61.2 million respectively. This is mainly due to the e-Court project that contributed significantly to the revenue of Software segment which was completed at the beginning of the current financial year. There were no other significant contracts secured during the current financial year under review. The Group has disposed off one of its non-performing subsidiary under Software segment during the current quarter under review to align the Group's business.

For the Solutions segment, the decrease in revenue by approximately RM4.1 million for the current quarter is mainly due to lower billing and reduced workforce associated to a market repositioning exercise. This revenue decline has adversely affected the current financial year revenue.

The Systems segment also showed a decrease in revenue in the current quarter and current financial year under review by approximately RM14.1 million and RM36.9 million respectively due mainly to lesser significant contracts secured during the financial year under review as a result of the delay in the awarding of various projects.

The detailed breakdown of profit / (loss) before tax by business segments of the Group is as follows: -

	INDIVIDUAL QUARTER THREE MONTHS ENDED 31 MARCH		CUMULATIVE PERIOD TWELVE MONTHS ENDED 31 MARCH	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Distribution	694	1,073	4,802	3,904
Networks	2,875	4,103	7,208	7,361
Software	(5,628)	8,036	(550)	12,612
Solutions	(4,114)	(8,022)	(11,679)	(21,432)
Systems	1,118	384	2,032	(409)
Others	(6,487)	(31,652)	(10,160)	(23,707)
Total	<u>(11,542)</u>	<u>(26,078)</u>	<u>(8,347)</u>	<u>(21,671)</u>

Comparing the current quarter against the corresponding quarter of the previous financial year, the loss before tax narrowed by approximately RM14.5 million. For the current financial year, the loss narrowed by approximately RM13.3 million compared to the preceding financial year. This improvement is largely contributed by: -

- (i) a higher gross profit margin of RM26.5 million, compared to RM19.8 million for the previous year under Solutions and Systems segments;
- (ii) lower expenses of approximately RM7.4 million due to workforce reduction associated with a market repositioning exercise under Solutions segment; and
- (iii) lower impairment of goodwill of RM3.0 million compared to RM33.1 million in the preceding financial year under Others segment.

The Software segment recorded a loss before tax of RM5.6 million in the current quarter under review compared to a profit before tax of RM8.0 million in the corresponding quarter of the preceding financial year and a loss before tax of RM0.6 million in the current financial year compared to a profit before tax of RM12.6 million in the preceding financial year mainly due to the corresponding low revenue achieved under Software segment as mentioned earlier.

**Additional information required by Bursa Securities Listing Requirements
For the Four Quarter Ended 31 March 2012**

2 Variation of results against preceding quarter

	3 months ended 31.03.2012 RM'000	3 months ended 31.12.2011 RM'000
(Loss) / Profit before tax	(11,542)	811

The group recorded a loss before tax of RM11.5 million for the current quarter under review as compared to a profit before tax of RM0.8 million for the preceding quarter mainly due to:

- (i) a lower gross profit margin under Software segment by RM5.7 million;
- (ii) Impairment of goodwill of RM3.0 million made in the current quarter under review;
- (iii) higher impairment of trade receivables by RM2.4 million; and
- (iv) a loss on disposal of a subsidiary of RM0.7 million recorded in the current quarter under review.

3 Current year prospects

Taking into consideration of the contracts secured to-date amounting to approximately RM140 million by the business segments of the Group as well as a healthy sales pipeline that the Group has, the Board of Directors expects the performance for the Group for the next financial year to improve.

4 Profit forecast

Not applicable.

5 Income tax expense

	INDIVIDUAL QUARTER THREE MONTHS ENDED 31 MARCH		CUMULATIVE PERIOD TWELVE MONTHS ENDED 31 MARCH	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Current tax expense				
- Malaysian taxation	1,101	1,902	4,430	4,090
- Foreign taxation	279	434	483	434
	<u>1,380</u>	<u>2,336</u>	<u>4,913</u>	<u>4,524</u>
(Over) / under provision in prior period				
- Malaysian taxation	(56)	9	(119)	112
- Foreign taxation	3	(100)	59	82
	<u>(53)</u>	<u>(91)</u>	<u>(60)</u>	<u>194</u>
	<u>1,327</u>	<u>2,245</u>	<u>4,853</u>	<u>4,718</u>
Deferred taxation				
- origination and reversal of temporary differences				
- Malaysian taxation	(395)	147	167	271
- Foreign taxation	11	121	55	121
	<u>943</u>	<u>2,513</u>	<u>5,075</u>	<u>5,110</u>

The Group's effective tax rate for the current financial quarter / year 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.

**Additional information required by Bursa Securities Listing Requirements
For the Four Quarter Ended 31 March 2012**

6 Status of corporate proposals

- (i) 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.

- (ii) On 8 May 2012, the Company announced that the Company and Formis Holdings Berhad ("FHB"), a wholly-owned subsidiary of the Company (the "Vendors"), entered into a Heads of Agreement ("HOA") with Microlink Solutions Berhad ("Micro" or the "Purchaser") pursuant to which the Vendors propose to undertake the disposal of all of their shareholdings in the following subsidiary companies to Micro for an indicative disposal consideration of RM102.0 million ("Disposal Consideration") to be satisfied via the issuance of 463,636,363 new ordinary shares of RM0.10 each in Micro ("Micro Share(s)") or ("Settlement Shares") at an issue price of RM0.22 per Micro Share:-

- (a) 100% equity interest in Applied Business Systems Sdn Bhd ("ABS") held by the Company;
 (b) 100% equity interest in Formis Computer Services Sdn Bhd ("FCS") held by FHB;
 (c) 51% equity interest in First Solution Sdn Bhd ("FSSB") held by FHB; and
 (d) 100% equity interest in Formis Systems & Technology Sdn Bhd ("FST") held by the Company.

- (iii) On 17 May 2012, the Company announced that FHB had on 16 May 2012 acquired 25,483,100 ordinary shares of RM0.10 each in Micro representing 20% of the total issued and paid-up share capital of Micro from Technology World Company ("TWC") for a total cash consideration of RM4,586,958 ("Consideration"). In addition to the Consideration, FHB is to pay and settle the amount owing from TWC to Microlink Worldwide Sdn Bhd, a wholly-owned subsidiary of Micro of a sum of RM450,000 ("Amount Owing"). Apart from FHB's obligation to settle the Amount Owing, there are no other liabilities to be assumed by FHB pursuant to the Acquisition. Accordingly, Micro becomes a 20% owned associate of the Group.

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 March 2012 are as follows:

	RM'000
Short term bank borrowings - secured	<u>65,639</u>

All borrowings are denominated in Ringgit Malaysia.

8 Realised and unrealised Profits or Losses

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

	31.03.2012 RM'000	31.12.2011 RM'000
Total accumulated losses of the Group: -		
- Realised	(17,464)	(471)
- Unrealised - in respect of deferred tax recognised in the statement of comprehensive income	(31)	(414)
- in respect of other items of income and expense	114	53
Total Group accumulated losses as per consolidated financial statements	<u>(17,381)</u>	<u>(832)</u>

The determination of realised and unrealised profits or losses 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 or losses 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 Four Quarter Ended 31 March 2012**

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 year under review.

11 Loss per ordinary share

(a) Basic loss per ordinary share

Basic loss per ordinary share for the financial year under review is calculated based on the Group's loss 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 MARCH		CUMULATIVE PERIOD TWELVE MONTHS ENDED 31 MARCH	
	2012	2011	2012	2011
	Loss after tax and minority interests (RM'000)	(19,394)	(25,364)	(11,182)
WA number of ordinary shares in issue ('000)	185,901	185,901	185,901	185,901
Basic loss per ordinary share (sen)	(10.43)	(13.64)	(6.02)	(10.53)

(b) Fully diluted earnings per ordinary share

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

12 Loss before tax

	INDIVIDUAL QUARTER THREE MONTHS ENDED 31 MARCH		CUMULATIVE PERIOD TWELVE MONTHS ENDED 31 MARCH	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
	Loss before tax is arrived at after charging: -			
Amortisation of MUNIF transaction cost	31	39	150	185
Bad debts written off	2,599	450	2,928	450
Depreciation and amortisation	435	496	2,078	2,346
Fair value loss on trade receivables	-	387	-	387
Impairment losses on:				
- goodwill	3,000	33,095	3,000	33,095
- software development	-	-	305	-
- trade receivables	677	2,594	3,861	4,244
Interest expenses	1,617	1,292	5,741	4,786
Inventories written off	873	323	989	349
Loss on disposal of:				
- property, plant and equipment	7	(507)	184	170
- other investments	89	(146)	104	-
- subsidiary	-	-	674	-
Net (gain) / loss on fair value adjustment on other investments	(8)	324	1,249	482
Property, plant and equipment written off	233	659	518	697
Realised loss on foreign currency transactions	37	(102)	218	-
Share of results of associates	842	-	1,430	-
Unrealised loss on foreign currency translation	76	(17)	302	-
And crediting: -				
Dividend income	65	3	76	409
Fair value gain on other investment	92	-	960	-
Gain on disposal of:				
- property, plant and equipment	1	(81)	3	-
- other investments	53	1,259	98	1,259
- subsidiary	-	-	-	9,221
Interest income	426	377	1,821	1,523
Inventories written down no longer required	-	510	-	510
Reversal of impairment losses on:				
- trade receivables	822	390	3,179	1,231
- inventories	53	(220)	53	-
- other investments	-	(440)	-	-
Realised gain on foreign currency transactions	495	241	1,339	1,096
Unrealised gain on foreign currency translation	(153)	321	135	1,168

SUMMARY OF STATUS OF MATERIAL LITIGATIONS AS AT 28 MAY 2012

A. MATERIAL LITIGATION AGAINST THE GROUP

No.	Parties to the Suit	Case / Summons No.	Court	Latest Status
1	Kuala Lumpur High Court Civil Suit No. 22NCVC-439-04/2012 Risk Management and Safety Systems Pty Ltd vs. 1. Formis Resources Berhad; 2. Chan Ngow; 3. Tan Sri Megat Najmuddin bin Datuk Seri Dr Haji Megat Khas; 4. Dato' Mah Siew Kwok; 5. Datuk Rahim bin Baba; 6. Dato' Hairuddin bin Mohamed; 7. Ahmad bin Khalid; 8. Dato' Thong Kok Khee; 9. Dato' Gan Nyap Liou @ Gan Nyap Liow; 10. Au Yong Kam Weng; 11. Mah Xian-Zhen; 12. Formis Bass Software Sdn Bhd; and 13. Bioserasi Sdn Bhd ("the Defendants"). (collectively, "the Defendants")	Civil Suit No. 22NCVC-439-04/2012	Kuala Lumpur High Court	<p>On 18 April 2012, FRB received a Writ of Summons ("Writ") dated 17 April 2012 filed by Risk Management and Safety Systems Pty Ltd ("the Plaintiff").</p> <p>The amount claimed against the Defendants and each of them jointly and severally are as follows :</p> <ul style="list-style-type: none"> i) the sum of USD420,000 together with interest thereon at the rate of 5% per annum from 9 November 2010 to 27 March 2012, and thereafter interest therein at the rate of 4% per annum to the date of full payment; ii) general damages; iii) aggravated damages; iv) exemplary damages; v) interest on the sums referred to in prayers (ii), (iii) and (iv) above at the rate of 4% per annum from such date as this Honourable Court may deem fit, to the date of full payment; vi) a declaration that the Defendants and each of them shall be personally responsible to pay all the sums referred to in prayers (i) to (v) above, and that this Honourable Court issues such further directions as it may deem fit in relation thereto, pursuant to Section 304 of the Companies Act 1965; vii) further or in the alternative, a declaration that the agreement dated 29 March 2012 entered into between the Company and Bioserasi Sdn Bhd for the disposal of the entire issued and paid-up capital of Formis Bass Software Sdn Bhd, comprising 11,500,000 ordinary shares of RM1 each, for a total cash consideration of RM1 only, is null and void, and that this Honourable Court issues such further directions as may deem fit; viii) costs on a solicitor-client basis, or on such other basis as this Honourable Court may deem fit; and ix) such further or other relief as this Honourable Court may deem fit. <p>The claim is in respect of purported allegations by the Plaintiff that the Defendants have directly or indirectly deprived the Plaintiff of the benefits of the Partial Award dated 27 March 2012 given under Arbitration Case No: ARB167/10/MXM (to which the Plaintiff and the 12th Defendant, Formis Bass Software Sdn Bhd were parties to) by the Arbitral Tribunal under the Arbitration Rules of the Singapore International Arbitration Centre. The Plaintiff alleges, inter alia, that the sale of the 12th Defendant's entire issued and paid up capital to the 13th Defendant vide agreement dated 29 March 2012 ("the sale") and the acts of the Defendants leading up to the sale and subsequent thereto amounts to, inter alia, the Defendants having dishonestly perpetrated a fraud on the Plaintiff and was done for the sole or predominant purpose to injure the Plaintiff by depriving the Plaintiff of the benefits of the Partial Award. The case came up for case management on 2 May 2012 and the learned Judge gave the following directions:-</p>

SUMMARY OF STATUS OF MATERIAL LITIGATIONS AS AT 28 MAY 2012

A. MATERIAL LITIGATION AGAINST THE GROUP

No.	Parties to the Suit	Case / Summons No.	Court	Latest Status
				<p>1 The Defendants are to file their respective Defences by 15 May 2012;</p> <p>2 The Plaintiff is to file its Reply to Defence by 25 May 2012; and</p> <p>3 The Statement of Agreed Facts, Issues to be Tried, Common Bundle of Documents and Bundle of Pleadings are to be filed by the Plaintiff by 18 June 2012.</p> <p>The 1st, 3rd, 4th, 6th to 11th Defendants filed their Defence on 15th May 2012.</p> <p>The matter has been fixed for further case management on <u>18 June 2012.</u></p>

SUMMARY OF STATUS OF MATERIAL LITIGATIONS AS AT 28 MAY 2012

B. MATERIAL LITIGATION FOR THE GROUP

No.	Parties to the Suit	Case / Summons No.	Court	Latest Status
1	ISS Consulting (M) Sdn Bhd ("ISS (M)") v TSH Resources Berhad		Regional Centre for Arbitration at Kuala Lumpur	<p>At the preliminary meeting before the arbitrator on 1 March 2012, the arbitrator gave the following directions:-</p> <ul style="list-style-type: none"> (i) ISS (M) is to serve its Statement of Claim by 6 April 2012; (ii) The Respondent is to serve its Defence and Counterclaim by 4 May 2012; (iii) ISS (M) is to serve its Reply to Defence and Defence to Counterclaim by 8 June 2012. <p>ISS (M) served its Statement of Claim on 6 April 2012. The Respondent has been granted an extension of time until 4 June 2012 to serve its Defence and Counterclaim.</p> <p>The next preliminary meeting is fixed on <u>22 June 2012</u>.</p>
2	Formis Automation Sdn Bhd ("FASB") vs. Lingkaran Teknik Sdn Bhd ("LTSB")		Kuala Lumpur Regional Centre for Arbitration	<p>LTSB had on 22 March 2012 served its defence to FASB points of claim and its counterclaim wherein LTSB is claiming for the bank guarantee given by FASB previously which has expired, to be renewed for a sum of RM851,750.00, interest on the sum of RM508,950.00 at a rate of 8% per annum from the date of commencement of this action until full payment and cost.</p> <p>The defence to FASB's points of claim and counterclaim by LTSB is in respect of a notice of arbitration served by FASB based on the outstanding claims due and owing to FASB by LTSB including but not limited to monies due and owing in respect of outstanding invoices for works and/or services done and/or rendered by FASB pursuant to the Sub-Contract Agreement dated 12 December 2006 entered into between FASB and LTSB.</p> <p>FASB served its reply to LTSB's defence and defence to LTSB's counterclaim on 9 April 2012. LTSB's Reply to the Defence to the Counterclaim (if any) was due on 11 May 2012 (to date no Reply has been received from LTSB).</p> <p>In the interim, FASB had obtained an injunction from the High Court of Kuala Lumpur vide Kuala Lumpur High Court Originating Summons No 24NCC(ARB)-38-10/2011 ("Court Order") and the following orders were given:-</p> <ul style="list-style-type: none"> (a) that pending the disposal of the Arbitration between FASB and LTSB, all payments certified by the Project Director and/or paid by the Employer of the Project shall be deposited into the Joint Account ("Joint Account") which shall be jointly opened by the parties. (b) that pending the disposal of the Arbitration between FASB and LTSB, all payments received and/or may be received by LTSB from the Employer in respect of the Project, including the sum of RM128,311.00 as certified by the Project Director of the Project as payment for the sub-contract works performed by the Plaintiff shall be deposited into the Joint Account;

SUMMARY OF STATUS OF MATERIAL LITIGATIONS AS AT 28 MAY 2012

B. MATERIAL LITIGATION FOR THE GROUP

No.	Parties to the Suit	Case / Summons No.	Court	Latest Status
				<p>(c) that the Joint Account is to be opened by the parties within fourteen (14) days from the date of this Order;</p> <p>(d) pending the establishment of the Joint Account, any monies that have been certified by the Project Director and paid by the Employer in respect of the Project, including the RM128,311.00 and any other amounts or sums certified by the Project Director of the Project shall be not be dealt with or dissipated in any manner by LTSB and shall be deposited into the Joint Account.</p> <p>(e) costs of RM5,000 was awarded to FASB.</p> <p>The Joint Account was opened on 5 April 2012.</p> <p>LTSB's appeal in the Court of Appeal against the Court Order and LTSB's application for leave to file a supplementary record of appeal were withdrawn by LTSB on 16 May 2012 and the Court of Appeal awarded costs in the sum of RM10,000 to FASB.</p> <p>On 15 May 2012, FASB filed its application for leave to apply for an Order of Committal against LTSB in respect of LTSB failing to comply with the Court Order. FASB's application for leave to apply to commit LTSB was allowed by the High Court on 17 May 2012.</p>