

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013**

	INDIVIDUAL QUARTER THREE MONTHS ENDED 31 MARCH		CUMULATIVE PERIOD TWELVE MONTHS ENDED 31 MARCH	
	2013 RM'000 Unaudited	2012 RM'000 Unaudited	2013 RM'000 Unaudited	2012 RM'000 Audited
Revenue	109,616	84,283	338,581	294,927
Cost of sales	(84,940)	(70,307)	(262,337)	(227,037)
Gross profits	24,676	13,976	76,244	67,890
Other income	7,587	1,446	12,124	9,275
Other operating expenses	(64,577)	(24,296)	(113,073)	(77,874)
Finance costs	(2,218)	(1,678)	(6,908)	(6,060)
Share of results of associates	1,027	(781)	56	(1,369)
Loss before tax	(33,505)	(11,333)	(31,557)	(8,138)
Tax expense	(1,241)	(821)	(4,661)	(4,953)
Loss for the financial period / year	(34,746)	(12,154)	(36,218)	(13,091)
Other comprehensive income / (loss), net of tax				
Foreign currency translation differences for foreign operations	439	461	364	298
Share of foreign currency translation of associates	(25)	(55)	(24)	(28)
Other comprehensive income for the financial period / year, net of tax	414	406	340	270
Total comprehensive loss for the financial period / year	(34,332)	(11,748)	(35,878)	(12,821)
(Loss) / Profit attributable to:-				
Owners of the Parent	(37,012)	(19,165)	(39,542)	(10,953)
Non-controlling interests	2,266	7,011	3,324	(2,138)
Loss for the financial period / year	(34,746)	(12,154)	(36,218)	(13,091)
Total comprehensive (loss) / income attributable to:-				
Owners of the Parent	(36,735)	(18,847)	(39,217)	(10,701)
Non-controlling interests	2,403	7,099	3,339	(2,120)
Total comprehensive loss for the financial period / year	(34,332)	(11,748)	(35,878)	(12,821)
Loss per ordinary share (sen)				
-Basic	(19.91)	(10.31)	(21.27)	(5.89)

(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 2012.)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2013

	As at 31.03.2013 RM'000 Unaudited	As at 31.03.2012 RM'000 Audited
ASSETS		
Non-Current Assets		
Property, plant and equipment	8,754	3,844
Investment in associates	34,694	19,209
Software development costs	-	1,752
Other investments	2,013	2,076
Investment property	32	32
Other receivables	14,143	13,056
Goodwill	83,363	124,495
Deferred tax assets	747	858
	<u>143,746</u>	<u>165,322</u>
Current Assets		
Other investments	6,384	10,754
Inventories	18,025	14,378
Trade receivables	65,649	82,630
Other receivables, deposits and prepayments	51,400	36,146
Amount owing by associates	414	-
Current tax assets	1,875	2,362
Cash and cash equivalents	67,578	61,262
	<u>211,325</u>	<u>207,532</u>
Assets of disposal groups classified as held for sale	-	3,500
TOTAL ASSETS	<u>355,071</u>	<u>376,354</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Parent		
Share capital	92,950	185,901
Share premium	9,744	9,744
Other reserves	25,274	286
Retained earnings / (Accumulated losses)	12,019	(17,152)
	<u>139,987</u>	<u>178,779</u>
Non-controlling interests	17,686	15,003
TOTAL EQUITY	<u>157,673</u>	<u>193,782</u>
Non-Current Liabilities		
Borrowings	12,691	14,223
Provision for post employment benefits	191	87
Deferred tax liabilities	419	767
	<u>13,301</u>	<u>15,077</u>
Current Liabilities		
Trade payables	18,019	22,649
Other payables, deposits and accruals	66,840	63,913
Borrowings	98,290	76,659
Current tax payables	948	774
	<u>184,097</u>	<u>163,995</u>
Liabilities of disposal groups classified as held for sale	-	3,500
TOTAL LIABILITIES	<u>197,398</u>	<u>182,572</u>
TOTAL EQUITY AND LIABILITIES	<u>355,071</u>	<u>376,354</u>
Net assets per share (RM)	<u>0.75</u>	<u>0.96</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 2012.)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013**

	<----- Attributable to owners of the Parent ----->				Distributable (Accumulated losses) / Retained earnings RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Ordinary shares RM'000	Share premium RM'000	Capital reserve RM'000	Exchange translation reserve RM'000				
Unaudited								
<u>Twelve Months Financial Year Ended 31 March 2013</u>								
Balance as at 1 April 2012	185,901	9,744	-	286	(17,152)	178,779	15,003	193,782
(Loss) / Profit for the financial year	-	-	-	-	(39,542)	(39,542)	3,324	(36,218)
Foreign currency translation for foreign operations	-	-	-	349	-	349	15	364
Share of foreign currency translation of associates	-	-	-	(24)	-	(24)	-	(24)
Total comprehensive income / (loss) for the financial year	-	-	-	325	(39,542)	(39,217)	3,339	(35,878)
Share capital reduction	(92,951)	-	24,663	-	68,288	-	-	-
Acquisition of subsidiary	-	-	-	-	-	-	84	84
Transaction with owners-arising from accretion of equity interest in a subsidiary	-	-	-	-	425	425	(740)	(315)
Share of equity compensation reserve of associates	-	-	-	-	-	-	-	-
Balance as at 31 March 2013	<u>92,950</u>	<u>9,744</u>	<u>24,663</u>	<u>611</u>	<u>12,019</u>	<u>139,987</u>	<u>17,686</u>	<u>157,673</u>

	<----- Attributable to owners of the Parent ----->				Distributable Accumulated losses RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Ordinary shares RM'000	Share premium RM'000	Capital reserve RM'000	Exchange translation reserve RM'000				
Audited								
<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
Loss for the financial year	-	-	-	-	(10,953)	(10,953)	(2,138)	(13,091)
Foreign currency translation for foreign operations	-	-	-	280	-	280	18	298
Share of foreign currency translation of associates	-	-	-	(28)	-	(28)	-	(28)
Total comprehensive income / (loss) for the financial year	-	-	-	252	(10,953)	(10,701)	(2,120)	(12,821)
Transaction with owners-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>-</u>	<u>286</u>	<u>(17,152)</u>	<u>178,779</u>	<u>15,003</u>	<u>193,782</u>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes to the interim financial report and the audited financial statements for the financial year ended 31 March 2012.)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013**

	TWELVE MONTHS ENDED 31 MARCH	
	2013 RM'000 Unaudited	2012 RM'000 Audited
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(31,557)	(8,138)
Adjustment for non-cash items:		
Bad debts written off	10	2,070
Depreciation and amortisation	2,663	1,385
Dividend income	(90)	(76)
Gain on remeasurement of investment	(366)	-
Impairment losses on goodwill	42,286	3,000
Impairment losses on software development	1,152	-
Impairment losses on trade receivables	899	3,589
Impairment losses on other receivables	2	-
Net inventories written down	(42)	367
Inventories written off	492	569
Interest expense	6,464	5,741
Interest income	(1,340)	(1,821)
Net gain on fair value adjustments on trade receivables	-	(199)
Net (gain) / loss on fair value adjustments on other investments	(83)	289
Net loss on disposal of other investments	485	6
Net loss on disposal of property, plant and equipment	106	181
Net loss on disposal of subsidiary	-	674
Net unrealised loss on foreign currency exchange	639	180
Property, plant and equipment written off	172	518
Provision for post-employment benefits	94	-
Reversal of impairment loss on trade receivables	(1,714)	(2,083)
Reversal of impairment loss on leasehold land and building	(631)	-
Share of results of associates	(56)	1,369
Other non-cash items	295	1,217
	<u>19,880</u>	<u>8,838</u>
Operating profit before working capital changes		
Net changes in assets	(4,333)	(4,286)
Net changes in liabilities	(1,188)	(7,629)
	<u>14,359</u>	<u>(3,077)</u>
Net cash generated from / (used in) operations		
Tax paid	(4,881)	(5,829)
Tax refund	649	870
	<u>10,127</u>	<u>(8,036)</u>
Net cash from / (used in) operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of associates	(15,528)	(20,550)
Acquisition of non-controlling interest	(315)	-
Acquisition of subsidiary, net of cash acquired	(1,096)	-
Interest received	1,340	1,821
Disposal of subsidiary, net of cash	-	(14)
Dividend received	479	76
Placement of fixed deposits pledged	(13,373)	(685)
Proceeds from disposal of development properties	-	70,500
Proceeds from disposal of other investments	4,032	2,572
Proceeds from disposal of property, plant and equipment	256	509
Purchase of other investments	-	(3,000)
Purchase of property, plant and equipment	(2,429)	(1,343)
	<u>(26,634)</u>	<u>49,886</u>
Net cash (used in) / from investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of borrowings	36,593	41,824
Repayment of borrowings	(52,524)	(96,754)
Issuance of share capital of a subsidiary to non-controlling interest	-	200
Interest paid	(6,464)	(5,741)
	<u>(22,395)</u>	<u>(60,471)</u>
Net cash used in financing activities		
Net decrease in cash and cash equivalents	(38,902)	(18,621)
Cash and cash equivalents at 1 April 2012/2011*	35,332	53,934
Effect of foreign exchange on opening balance	94	19
Cash and cash equivalents at 31 March 2013/2012*	<u>(3,476)</u>	<u>35,332</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 2012.)

**Notes to the Interim Financial Report
For the Fourth Quarter Ended 31 March 2013**

1 Basis of preparation

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

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 March 2012. 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 2012.

2 Significant Accounting Policies

Changes in Accounting Policies

Since the issuance of the previous annual audited financial statements as at 31 March 2012, the Group has adopted new and revised Financial Reporting Standards ("FRSs"), Amendments to FRSs, Interpretations and Technical Releases which were effective for the Group's financial period beginning on 1 April 2012. The new FRSs, Amendments to FRSs, Interpretations and Technical Releases are expected to have no significant impact on the financial statements of the Group upon their initial application except for the changes in presentation and disclosures of financial information.

Standards and Interpretations issued but not yet effective

The Group has not early adopted new or revised standards and amendments to standards that have been issued but not yet effective for the Group's accounting period beginning 1 April 2012. The initial application of the FRSs, Amendments to FRSs and IC Interpretations, which will be applied prospectively or which requires extended disclosures, is not expected to have any significant financial impacts to the financial statements of the Group upon their first adoption.

Malaysian Financial Reporting Standard ("MFRS Framework")

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework"). The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture ("MFRS 141") and IC Interpretation 15 Agreements for Construction of Real Estate ("IC 15"), including its parent, significant investor and venturer (herein called 'Transitioning Entities').

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional two years. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014. The Group falls within the definition of Transitioning Entities and has accordingly, opted to defer the adoption of the MFRS Framework to the financial year beginning 1 April 2014.

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 2012 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 quarter 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 quarter 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 quarter under review.

7 Debt and equity securities

On 20 February 2013, the Company has obtained the order from the High Court confirming that the par value reduction of the issued and paid-up share capital of the Company from RM185,900,199 comprising 185,900,199 ordinary shares of RM1.00 each to RM92,950,099 comprising 185,900,199 ordinary shares of RM0.50 each. The par value reduction was effected on 4 March 2013.

There were no other issuance, cancellation, repurchase, resale and repayment of debt securities of the Group and equity securities of the Company during the current financial quarter under review.

8 Dividends paid

No dividends have been paid during the current financial quarter under review.

Notes to the Interim Financial Report
For the Fourth Quarter Ended 31 March 2013

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
Twelve Months Financial Year Ended 31 March 2013								
External sales	157,752	28,353	4,859	31,097	116,512	8	-	338,581
Inter segment sales	14,220	17,962	2,478	8,709	1,136	2,908	(47,413)	-
Total Sales	171,972	46,315	7,337	39,806	117,648	2,916	(47,413)	338,581
Segment results	4,487	7,979	730	5,946	3,329	(48,960)	-	(26,489)
Share of results of associates								56
Interest expense								(6,464)
Interest Income								1,340
Loss before taxation								(31,557)
Segment assets	52,601	34,579	8,755	40,231	85,702	133,203	-	355,071
Twelve Months Financial Year Ended 31 March 2012								
External sales	142,345	17,239	6,751	29,282	98,176	1,134	-	294,927
Inter segment sales	10,097	18,073	5,799	1,662	3,606	83,605	(122,842)	-
Total Sales	152,442	35,312	12,550	30,944	101,782	84,739	(122,842)	294,927
Segment results	4,539	6,877	(760)	(11,420)	2,065	(4,150)	-	(2,849)
Share of results of associates								(1,369)
Interest expense								(5,741)
Interest Income								1,821
Loss before taxation								(8,138)
Segment assets	68,001	35,089	19,290	20,730	80,544	152,700	-	376,354

10 Carrying amount of revalued assets

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

11 Subsequent events

- (i) On 16 August 2012, the Company announced to undertake the following:-
- proposed renounceable rights issue of up to 92,950,099 new redeemable convertible preference shares of RM0.10 each in Formis ("Rights RCPS") at an issue price of RM1.00 per Rights RCPS on the basis of one (1) Rights RCPS for every three (3) existing ordinary shares of RM1.00 each ("Shares") held in the Company, as at an entitlement date to be determined later ("Proposed Rights Issue");
 - proposed alteration to the authorised share capital of the Company ("Proposed Alteration to Authorised Capital"); and
 - proposed amendments to the Memorandum and Articles of Association of the Company to facilitate the Proposed Alteration to Authorised Capital ("Proposed Amendments to M&A").

On 5 November 2012, the Company announced to revise the proposals to the following:-

- proposed reduction of the issued and paid-up share capital of Formis via the cancellation of RM0.50 of the par value of each existing ordinary share of RM1.00 each in Formis ("Proposed Par Value Reduction");
- proposed renounceable rights issue of up to 278,850,298 new ordinary shares of RM0.50 each in the Company ("Formis Shares") ("Rights Shares") together with up to 139,425,149 free detachable warrants ("Warrants") at an issue price of RM0.50 per Rights Share on the basis of two (2) Rights Shares together with one (1) free Warrant for every two (2) existing Formis Shares held after the Proposed Par Value Reduction ("Proposed Rights Issue With Warrants"); and
- proposed revised amendments to the Company's Memorandum and Articles of Association to facilitate the Proposed Par Value Reduction ("Proposed Revised Amendments to M&A").

On 3 December 2012, the Company announced that Bank Negara Malaysia had vide its letter dated 28 November 2012 (which was received on 3 December 2012) approved the issuance of the Warrants under the Proposed Rights Issue With Warrants to non-resident shareholders of the Company.

On 12 December 2012, the Company announced that Bursa Malaysia Securities Berhad ("Bursa Securities") has vide its letter dated 11 December 2012, approved the Company's listing application in respect of the Proposed Rights Issue with Warrants.

On 23 January 2013, the Company announced that shareholders of Formis had approved the abovementioned proposals.

On 31 January 2013, the Company announced that the Company had filed an application to the High Court of Malaya ("High Court") to obtain its confirmation in respect of the Par Value Reduction ("High Court Confirmation"). The sealed court order on the High Court Confirmation was granted on 20 February 2013.

Notes to the Interim Financial Report
For the Fourth Quarter Ended 31 March 2013

11 Subsequent events (continued)

On 5 March 2013, the Company announced that the Par Value Reduction had been lodged with Companies Commission of Malaysia on 4 March 2013. Hence the Par Value Reduction has taken effect. Accordingly, the issued and paid-up share capital of Formis of RM185,900,199 comprising 185,900,199 ordinary shares of RM1.00 each (before the Par Value Reduction) will become RM92,950,099 comprising 185,900,199 ordinary shares of RM0.50 each (after the Par Value Reduction).

On 17 April 2013, the Company announced that the Entitlement Date for the Rights Issue with Warrants has been fixed at 5.00 pm on 2 May 2013.

On 18 April 2013, the Company announced that the Deed Poll constituting the Warrants in relation to the Proposed Rights Issue with Warrants has been executed on 18 April 2013.

The Abridged Prospectus of the Company relating to the Rights Issue with Warrants dated 2 May 2013 was despatched to shareholders of the Company on 7 May 2013.

On 28 May 2013, the Company announced that as at the close of acceptance and payment for the Rights Issue with Warrants at 5.00 p.m. on 20 May 2013, the total valid acceptances and excess applications received were 166,284,975 Rights Shares together with 83,142,487 Warrants, representing a subscription rate of 89.45%. The total proceeds received from the valid acceptances and excess applications amounted to RM83,142,487.50 will be utilised mainly for repayment of bank borrowings, further investments in associated companies, funding for corporate exercises, working capital and to defray estimated expenses relating to the Company's par value reduction and Rights Issue with Warrants corporate exercises. The Rights Shares and Warrants are expected to be listed and quoted on the Main Market of Bursa Malaysia on 4 June 2013.

(ii) On 17 January 2013, the Company announced that Continuous Network Advisers Sdn Bhd ("CNA") entered into the following agreements:-

(a) a Share Sale and Subscription Agreement ("SSA") with CME Asia Sdn Bhd ("CME") and Fiber at Home City Networks Sdn Bhd ("FHCN") to acquire 100,000 ordinary shares of RM1.00 each ("Ordinary Shares") in the capital of FHCN ("Sale Shares") from CME for a total cash consideration of RM1,000,000.00 and to subscribe for 500,000 ordinary shares of RM1.00 each in the capital of FHCN at RM4.00 per shares ("Subscription Price") for cash totaling RM2,000,000.00 ("Subscription Shares").

Upon completion of the acquisition of the Sale Shares and the subscription of the Subscription Shares, the Company will hold an aggregate of 40% equity interest in FHCN;

(b) a Shareholders' Agreement ("Shareholders' Agreement") with CME and Wan Mohalina binti Wan Mohammad ("Wan Mohalina") to regulate their relationships as shareholders of FHCN and the management and operation of FHCN, which is principally an independent Smart Community FTTH Network infrastructure provider and telecommunication company and a license holder with Suruhanjaya Komunikasi Multimedia Malaysia (SKMM) for Network Facilities Provider (NFP), Network Service Provider (NSP) and Application Service Provider (ASP);

(c) a Call Option Agreement ("Call Option Agreement") with FHCN to grant the right to CNA to require FHCN to issue and allot up to 1,200,000 ordinary shares of RM1.00 each in FHCN ("Option Shares") to CNA at the following issue price and in accordance with the terms and subject to the conditions set out in the Call Option Agreement:

i) RM5.00 per ordinary share ("Call Option A") during the Call Option A period commencing from the date of completion of the SSA and ending on the day falling 12 months from such completion date ("Call Option Period A"); or

ii) such price to be mutually agreed upon by CNA and FHCN on good faith and best endeavours basis and based on market valuation method to be mutually agreed upon by the parties ("Call Option B") during the Call Option B period commencing from the expiry of Call Option Period A and ending on the day falling three (3) years from the date of completion of the SSA ("Call Option Period B");

Upon completion of the acquisition of the Sale Shares, the subscription of the Subscription Shares and the acquisition of the Option Shares, the Group will hold an aggregate of 66.67% equity interest in FHCN.

On 23 April 2013, the Company announced that the acquisition of 60,000 Share Sale and the subscription of 250,000 ordinary shares of RM1.00 each in FHCN had been completed on 23 April 2013. Accordingly, FHCN became 24.8% owned associate of the Group.

(iii) On 7 May 2013, the Company announced that Formis Holdings Berhad ("FHB"), a wholly-owned subsidiary of the Company, intends to undertake a Voluntary Conditional Take-Over Offer ("Offer") to acquire the following:

(a) all the remaining ordinary shares of RM0.10 each in Microlink Solutions Berhad ("Microlink") ("Microlink Share") which are not already owned by FHB; and

(b) all the new Microlink Shares that may be allotted and issued up to the close of the offer pursuant to the exercise of any outstanding options granted under Microlink's existing Employee Share Option Scheme,

for a cash consideration of RM0.60 for every one (1) Microlink Share.

Accordingly, a notice of the Offer dated 7 May 2013 has been served on the Board of Directors of Microlink to notify of FHB's intention to undertake the Offer.

On 28 May 2013, the Company announced that the offer document dated 28 May 2013, which sets out the details, terms and conditions of the Offer together with the Form of Acceptance and Transfer, have been delivered to the Board of Directors of Microlink and despatched to the shareholders of Microlink or their designated agents. The Offer is open for acceptance until 5.00 p.m. (Malaysian time) on 19 June 2013, being the first closing date of the Offer, unless revised or extended in accordance with the provisions of the Malaysian Code on Take-Overs and Mergers, 2010.

As at the date of this announcement, the Offer has yet to be completed.

Notes to the Interim Financial Report
For the Fourth Quarter Ended 31 March 2013

11 Subsequent events (continued)

- (iv) On 16 May 2013, the Company announced that the Company has entered into a Settlement Agreement with the three shareholders, namely Tan Sri Dato' Seri Megat Najmuddin Bin Datuk Seri Dr. Hj. Megat Khas, Datuk Rahim Bin Baba and Mr Chan Ngow ("the Guarantors") for the settlement of the Profit Guarantee Shortfall totaling RM20,014,074 in full by twenty monthly installments. The Company had since received the 1st installment payment of RM1,000,000.00.

The profit guarantee was given by the Guarantors to guarantee the aggregate forecasted profit before tax of the Group's three (3) subsidiaries, namely Applied Business Systems Sdn Bhd, Continuous Network Advisers Sdn Bhd and Continuous Network Services Sdn Bhd and three (3) of the then subsidiaries, namely Applied Information Management Services Sdn Bhd, FORMIS BASS Software Sdn Bhd [formerly known as BASS Consulting Sdn Bhd] and Atlas CSF Sdn Bhd to be not less than RM21,462,302 and RM28,486,358 for the financial years ended 31 March 2002 and 31 March 2003 respectively pursuant to the rescue cum restructuring scheme undertaken by Man Yau Holdings Berhad ("MYBH"), a wholly-owned subsidiary of the Company in year 2001.

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

12 Changes in the composition of the group

(a) Subsidiaries

- (i) On 10 September 2012, the Company announced that CNA, a wholly-owned subsidiary of the Company, entered into the following agreements:-

- (a) an Investment Agreement ("Investment Agreement") with MYATM Sdn Bhd (formerly known as RCG Xcess Sdn Bhd) ("MYATM") and Goh Chee Chern ("GCC") to acquire 200,000 ordinary shares of RM1.00 each in the share capital of MYATM ("Sale Shares") from GCC for a total cash consideration of RM200,000.00 and to subscribe for 1,300,000 ordinary shares of RM1.00 each in the share capital of MYATM in four (4) tranches at RM1.50 per shares ("Subscription Price") for cash totaling RM1,950,000.00 ("Subscription Shares").

Upon completion of the acquisition of the Sale Shares and the subscription of the Subscription Shares, the Company will hold an aggregate of 60% equity interest in MYATM; and

- (b) a Shareholders' Agreement ("Shareholders' Agreement") with MYATM, GCC and Dato' Gan Nyap Liou @ Gan Nyap Liow ("Dato' Gan") to regulate their relationships as shareholders of MYATM and the management and operation of MYATM, which will be undertaking the business of manufacturing, trading and servicing of banking equipment and related services.

On 14 September 2012, the Company announced that the acquisition of the Sale Shares of 200,000 ordinary shares of RM1.00 each and the subscription of the 1st Tranche of the Subscription Shares of 200,000 ordinary shares of RM1.00 each had been completed on 14 September 2012. On 6 November 2012, the Company announced that the subscription of the 2nd Tranche of the Subscription Shares of 300,000 ordinary shares of RM1.00 each had been completed on 6 November 2012 as mutually agreed upon by CNA and MYATM.

On 6 February 2013, the Company announced that CNA entered into a Supplemental Agreement to the Investment Agreement with MYATM and GCC ("Supplemental Agreement") for the purpose of varying certain terms of the Investment Agreement.

On 8 February 2013, the Company announced that the subscription of the 3rd and 4th Tranche of the Subscription Shares of 300,000 and 500,000 ordinary shares of RM1.00 each respectively by CNA in MYATM has been completed on 8 February 2013. Accordingly, MYATM became 60.0% owned subsidiary of the Group.

The fair value of the assets acquired and the liabilities assumed from the acquisition of subsidiary are as follows:-

	RM'000
Property, plant and equipment	249
Other receivables, deposits and prepayments	492
Cash and cash equivalents	304
Trade payables	(443)
Other payables, deposits & accruals	(172)
Net identifiable assets acquired	430
Less : Non-controlling interests	(84)
Group's share of net assets	346
Add : Goodwill on acquisition of subsidiary	1,154
Total consideration at fair value	1,500
Less : Fair value gain of investment	(100)
Total cost of acquisition	1,400
Less: Cash and cash equivalents of subsidiary acquired	(304)
Net cash outflow on acquisition of subsidiary	1,096

- (ii) On 18 January 2013, the Company announced that the Company had on 16 January 2013 incorporated a wholly-owned subsidiary company known as Formis Research & Development Sdn Bhd ("FRDev"). The authorised share capital of FRDev is RM100,000.00 comprising 100,000 ordinary shares of RM1.00 each of which RM2.00 comprising 2 ordinary shares of RM1.00 each has been issued and fully paid-up. FRDev has commenced business on 1 May 2013 and the principal activity is to carry on the business of information technology software research, product development, maintenance, systems integration distribution and other related services both locally and internationally.

Notes to the Interim Financial Report
For the Fourth Quarter Ended 31 March 2013

12 Changes in the composition of the group (continued)

(b) Associate

(i) On 17 October 2012, the Company announced that CNA entered into the following agreements:-

- (a) an Investment Agreement ("Investment Agreement") with Yakimbi Sdn Bhd ("Yakimbi"), Andrew Christopher Campbell Diamond ("AD"), Bubblegum Sdn Bhd ("Bubblegum"), Dato' Gan Nyap Liou @ Gan Nyap Liow ("Dato' Gan"), Hector William Ingram ("HI") and Tan Swee Im ("TSI") for the subscription of 1,000,000 new ordinary shares of RM1.00 each in the share capital of Yakimbi by CNA in four (4) tranches at RM3.00 per shares ("Subscription Price") for cash totaling RM3,000,000.00 ("Subscription Shares");
- (b) a Shareholders' Agreement ("Shareholders' Agreement") with AD, Bubblegum, Dato' Gan, HI and TSI to regulate their relationships as shareholders of Yakimbi and the management and operation of Yakimbi, which will be undertaking the business of providing secure mobile collaboration and storage solutions using cloud technology; and
- (c) an Option Agreement ("Option Agreement") with Bubblegum, Dato' Gan, HI and TSI to grant the right to CNA to require the existing shareholders (other than CNA) of Yakimbi to sell 275,000 ordinary shares of RM1.00 each in Yakimbi ("Option Shares") to CNA at the option price of RM3.00 per ordinary share ("Call Option") totaling RM825,000.00 during the Call Option period in accordance with the terms and subject to the conditions set out in the Option Agreement.

Upon completion of the subscription of the Subscription Shares and the acquisition of the Option Shares, the Group will hold an aggregate of 51% equity interest in Yakimbi.

On 5 December 2012, the Company announced that the subscription of the 1st Tranche of the Subscription Shares of 440,000 ordinary shares of RM1.00 each had been completed on 5 December 2012.

On 31 January 2013, the Company announced that the subscription of 116,667 ordinary shares of RM1.00 each, being partial subscription of the 2nd Tranche of the Subscription Shares by CNA in Yakimbi has been completed on even date. Accordingly, Yakimbi became 27.1% owned associate of the Group. On 28 February 2013, the Company announced that the subscription of 108,333 ordinary shares of RM1.00 each, being partial subscription of the 2nd Tranche of the Subscription Shares by CNA in Yakimbi has been completed on even date. The Group's equity interest in Yakimbi has increased from 27.1% to 30.7%.

Saved as disclosed above, there were no other changes in the composition of the Group during the current financial quarter 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:-

	RM'000
FRB	
- to financial institution for facilities granted to subsidiaries	<u>26,450</u>
FHB	
- to leasing party for leasing facilities to a subsidiary	<u>144</u>

14 Capital commitments

Saved as disclosed below, there were no any other material commitments which upon becoming enforceable may have material impact on our Group's financial position.

	RM'000
Capital commitments of the Group on investment in associates (ie. FHCN and Yakimbi)	
- Authorised and contracted for	<u>4,005</u>

The above capital commitments will be funded by internally generated funds and / or bank borrowings.

**Additional information required by Bursa Securities Listing Requirements
For the Fourth Quarter Ended 31 March 2013**

1 Detailed analysis of performance

The Group recorded a revenue of RM109.6 million in the current quarter under review, an increase of approximately 30.1% compared to the revenue of RM84.3 million in the corresponding quarter of the preceding financial year.

For the financial year ended 31 March 2013, the Group recorded RM338.6 million of revenue, an increase of approximately 14.8% compared to the revenue of RM294.9 million registered 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	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Distribution	55,877	46,721	171,972	152,442
Networks	9,532	13,573	46,315	35,312
Software	2,237	474	7,337	12,550
Solutions	16,229	6,494	39,806	30,944
Systems	34,394	32,847	117,648	101,782
Others	719	79,433	2,916	84,739
	118,988	179,542	385,994	417,769
Less : Inter Segment Revenue	(9,372)	(95,259)	(47,413)	(122,842)
Total Group Revenue	109,616	84,283	338,581	294,927

Compared to preceding financial year, the Distribution segment's revenue increased by approximately RM9.2 million for the current quarter under review and RM19.5 million for the current financial year. This is mainly attributable to the increase in contracts / orders secured during the current quarter and financial year under review.

Notwithstanding the decrease in revenue in the Network segment by RM4.0 million in the current quarter compared to the corresponding quarter of the preceding financial year, the revenue in the Network segment has increased by 31.2% for the current financial year as compared to the preceding financial year. This is mainly due to sizeable sales contributed from a technology driven solution during the financial year under review.

The Software segment recorded an increase in revenue for the current quarter under review as compared to the corresponding quarter of the preceding financial year by RM1.8 million due to the increase in billings for project in Brunei. However, the current financial year's revenue decreased in Software segment due to reductions in contracts secured during the year.

The Solutions segment recorded an increase in revenue for the current quarter and financial year under review as compared to the preceding financial year by 149.9% and 28.6% respectively. This was mainly due to the award of E-Courts maintenance and support services contract for the application system in Peninsular Malaysia.

The Systems segment recorded an increase in revenue in the current quarter and financial year under review by approximately RM1.5 million and RM15.9 million respectively against the preceding financial year. This is mainly due to increase in billings from the government and telecommunications sectors.

The detailed breakdown of 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	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Distribution	1,089	886	4,868	4,994
Networks	1,207	2,875	7,928	7,208
Software	507	(5,628)	757	(550)
Solutions	4,762	(4,097)	5,672	(11,662)
Systems	2,493	1,118	3,090	2,032
Others	(43,563)	(6,487)	(53,872)	(10,160)
Loss before tax	(33,505)	(11,333)	(31,557)	(8,138)

The Group's loss before tax increased by RM22.2 million and RM23.4 million for the current quarter and financial year under review respectively compared to the preceding financial year. The increase in loss is mainly attributable to the impairment losses on goodwill of RM42.3 million incurred during the current quarter and financial year under review under Others segment.

The Solutions segment has turnaround from a loss before tax of RM11.7 million to a profit before tax of RM5.7 million. The improved performance is largely derived from higher revenue recorded and improved gross profit margin from the E-Courts maintenance and support services contract in Peninsular Malaysia.

Compared to the preceding financial year, the Systems segment recorded an increase in profit before tax by RM1.4 million and RM1.1 million for the current quarter and financial year under review respectively. The increase in profit is largely due to higher revenue recorded.

**Additional information required by Bursa Securities Listing Requirements
For the Fourth Quarter Ended 31 March 2013**

2 Variation of results against preceding quarter

	3 months ended 31.03.2013 RM'000	3 months ended 31.12.2012 RM'000
(Loss) / Profit before tax	<u>(33,505)</u>	<u>2,414</u>

The Group recorded a loss before tax of RM33.5 million for the current quarter under review against a profit before tax of RM2.4 million in the immediate preceding quarter. This is mainly due to the impairment losses on goodwill and software development costs in the current quarter under review of RM42.3 million and RM1.1 million respectively.

3 Business prospects

The Board is optimistic of the Group's financial performance in the new financial year moving forward, based on the rationalization initiatives implemented and the encouraging sales pipeline.

4 Profit forecast

Not applicable.

5 Income tax expense

	INDIVIDUAL QUARTER THREE MONTHS ENDED 31 MARCH		CUMULATIVE PERIOD TWELVE MONTHS ENDED 31 MARCH	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Current tax expense				
- Malaysian taxation	1,621	1,101	4,737	4,430
- Foreign taxation	249	279	296	483
	<u>1,870</u>	<u>1,380</u>	<u>5,033</u>	<u>4,913</u>
(Over) / under provision in prior period				
- Malaysian taxation	(1)	(56)	(77)	(119)
- Foreign taxation	6	4	(58)	60
	<u>5</u>	<u>(52)</u>	<u>(135)</u>	<u>(59)</u>
	<u>1,875</u>	<u>1,328</u>	<u>4,898</u>	<u>4,854</u>
Deferred taxation				
- origination and reversal of temporary differences				
- Malaysian taxation	(634)	(563)	(237)	43
- Foreign taxation	-	56	-	56
	<u>1,241</u>	<u>821</u>	<u>4,661</u>	<u>4,953</u>

The Group's effective tax rate for the current financial 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 Fourth Quarter Ended 31 March 2013**

6 Status of corporate proposals

- (i) On 26 March 2012, Diversified Gateway Solutions Berhad ("DGSB"), a 59.6% owned subsidiary of the Company, announced its proposal to undertake a Renounceable Rights Issue of up to 338,969,273 new ordinary shares of RM0.10 each in DGSB ("Rights Shares") together with up to 338,969,273 Free Detachable Warrants ("Warrants") at an issue price of RM0.10 per Rights Share on the basis of one (1) Rights Share for every four (4) existing ordinary shares of RM0.10 each held in DGSB ("DGSB Shares") together with one (1) free Warrant for every one (1) Rights Share subscribed at an entitlement date, to be determined later by the Board ("Proposed Rights Issue With Warrants").

On 6 July 2012, Bursa Securities had approved the following:

- (i) Listing of and quotation for up to 338,969,273 new DGSB Shares to be issued pursuant to the Proposed Rights Issue with Warrants;
- (ii) Admission to the Official List and the listing of and quotation for up to 338,969,273 Warrants to be issued pursuant to the Proposed Rights Issue with Warrants; and
- (iii) Listing of and quotation for up to 338,969,273 new DGSB Shares to be issued pursuant to the exercise of the Warrants.

On 19 July 2012, Bank Negara Malaysia had approved the issuance of the Warrants to non-residents shareholders of DGSB.

On 13 September 2012, shareholders of DGSB have approved the Proposed Rights Issue with Warrants.

On 21 December 2012, DGSB announced that an application for extension of time of six (6) months up to 5 July 2013 to complete the Proposed Rights Issue with Warrants was submitted to Bursa Securities in which the Application has been approved by Bursa Securities on 24 December 2012.

As at the date of this report, the Proposals have yet to be completed.

- (ii) On 16 August 2012, the Company announced that the Company proposes to undertake the following:-
- (a) proposed renounceable rights issue of up to 92,950,099 new redeemable convertible preference shares of RM0.10 each in Formis ("Rights RCPS") at an issue price of RM1.00 per Rights RCPS on the basis of one (1) Rights RCPS for every three (3) existing ordinary shares of RM1.00 each ("Shares") held in the Company, as at an entitlement date to be determined later ("Proposed Rights Issue");
- (b) proposed alteration to the authorised share capital of the Company ("Proposed Alteration to Authorised Capital"); and
- (c) proposed amendments to the Memorandum and Articles of Association of the Company to facilitate the Proposed Alteration to Authorised Capital ("Proposed Amendments to M&A").

On 5 November 2012, the Company announced that the Company proposes to revise the proposals to the following:-

- (a) proposed reduction of the issued and paid-up share capital of Formis via the cancellation of RM0.50 of the par value of each existing ordinary share of RM1.00 each in Formis ("Proposed Par Value Reduction");
- (b) proposed renounceable rights issue of up to 278,850,298 new ordinary shares of RM0.50 each in the Company ("Formis Shares") ("Rights Shares") together with up to 139,425,149 free detachable warrants ("Warrants") at an issue price of RM0.50 per Rights Share on the basis of two (2) Rights Shares together with one (1) free Warrant for every two (2) existing Formis Shares held after the Proposed Par Value Reduction ("Proposed Rights Issue With Warrants"); and
- (c) proposed revised amendments to the Company's Memorandum and Articles of Association to facilitate the Proposed Par Value Reduction ("Proposed Revised Amendments to M&A").

On 3 December 2012, the Company announced that Bank Negara Malaysia had vide its letter dated 28 November 2012 (which was received on 3 December 2012) approved the issuance of the Warrants under the Proposed Rights Issue With Warrants to non-resident shareholders of the Company.

On 12 December 2012, the Company announced that Bursa Malaysia Securities Berhad ("Bursa Securities") has vide its letter dated 11 December 2012, approved the Company's listing application in respect of the Proposed Rights Issue with Warrants.

On 23 January 2013, the Company announced that shareholders of Formis had approved the abovementioned proposals.

On 31 January 2013, the Company announced that the Company had filed an application to the High Court of Malaya ("High Court") to obtain its confirmation in respect of the Par Value Reduction ("High Court Confirmation"). The sealed court order on the High Court Confirmation was granted on 20 February 2013.

On 5 March 2013, the Company announced that the Par Value Reduction had been lodged with Companies Commission of Malaysia on 4 March 2013. Hence the Par Value Reduction has taken effect. Accordingly, the issued and paid-up share capital of Formis of RM185,900,199 comprising 185,900,199 ordinary shares of RM1.00 each (before the Par Value Reduction) will become RM92,950,099 comprising 185,900,199 ordinary shares of RM0.50 each (after the Par Value Reduction).

On 17 April 2013, the Company announced that the Entitlement Date for the Rights Issue with Warrants has been fixed at 5.00 pm on 2 May 2013.

On 18 April 2013, the Company announced that the Deed Poll constituting the Warrants in relation to the Proposed Rights Issue with Warrants has been executed on 18 April 2013.

The Abridged Prospectus of the Company relating to the Rights Issue with Warrants dated 2 May 2013 was despatched to shareholders of the Company on 7 May 2013.

**Additional information required by Bursa Securities Listing Requirements
For the Fourth Quarter Ended 31 March 2013**

6 Status of corporate proposals (continued)

On 28 May 2013, the Company announced that as at the close of acceptance and payment for the Rights Issue with Warrants at 5.00 p.m. on 20 May 2013, the total valid acceptances and excess applications received were 166,284,975 Rights Shares together with 83,142,487 Warrants, representing a subscription rate of 89.45%. The total proceeds received from the valid acceptances and excess applications amounted to RM83,142,487.50 will be utilised mainly for repayment of bank borrowings, further investments in associated companies, funding for corporate exercises, working capital and to defray estimated expenses relating to the Company's par value reduction and Rights Issue with Warrants corporate exercises. The Rights Shares and Warrants are expected to be listed and quoted on the Main Market of Bursa Malaysia on 4 June 2013.

(iii) On 10 September 2012, the Company announced that Continuous Network Advisers Sdn Bhd ("CNA"), a wholly-owned subsidiary of the Company, entered into the following agreements:-

(a) an Investment Agreement ("Investment Agreement") with MYATM Sdn Bhd (formerly known as RCG Xcess Sdn Bhd) ("MYATM") and Goh Chee Chern ("GCC") to acquire 200,000 ordinary shares of RM1.00 each in the share capital of MYATM ("Sale Shares") from GCC for a total cash consideration of RM200,000.00 and to subscribe for 1,300,000 ordinary shares of RM1.00 each in the share capital of MYATM in four (4) tranches at RM1.50 per shares ("Subscription Price") for cash totaling RM1,950,000.00 ("Subscription Shares").

Upon completion of the acquisition of the Sale Shares and the subscription of the Subscription Shares, the Company will hold an aggregate of 60% equity interest in MYATM; and

(b) a Shareholders' Agreement ("Shareholders' Agreement") with MYATM, GCC and Dato' Gan Nyap Liou @ Gan Nyap Liow ("Dato' Gan") to regulate their relationships as shareholders of MYATM and the management and operation of MYATM, which will be undertaking the business of manufacturing, trading and servicing of banking equipment and related services.

On 14 September 2012, the Company announced that the acquisition of the Sale Shares of 200,000 ordinary shares of RM1.00 each and the subscription of the 1st Tranche of the Subscription Shares of 200,000 ordinary shares of RM1.00 each had been completed on 14 September 2012. On 6 November 2012, the Company announced that the subscription of the 2nd Tranche of the Subscription Shares of 300,000 ordinary shares of RM1.00 each had been completed on 6 November 2012 as mutually agreed upon by CNA and MYATM.

On 6 February 2013, the Company announced that CNA entered into a Supplemental Agreement to the Investment Agreement with MYATM and GCC ("Supplemental Agreement") for the purpose of varying certain terms of the Investment Agreement.

On 8 February 2013, the Company announced that the subscription of the 3rd and 4th Tranche of the Subscription Shares of 300,000 and 500,000 ordinary shares of RM1.00 each respectively by CNA in MYATM has been completed on 8 February 2013. Accordingly, MYATM became 60.0% owned subsidiary of the Group.

(iv) On 17 October 2012, the Company announced that CNA entered into the following agreements:-

(a) an Investment Agreement ("Investment Agreement") with Yakimbi Sdn Bhd ("Yakimbi"), Andrew Christopher Campbell Diamond ("AD"), Bubblegum Sdn Bhd ("Bubblegum"), Dato' Gan Nyap Liou @ Gan Nyap Liow ("Dato' Gan"), Hector William Ingram ("HI") and Tan Swee Im ("TSI") for the subscription of 1,000,000 new ordinary shares of RM1.00 each in the share capital of Yakimbi by CNA in four (4) tranches at RM3.00 per shares ("Subscription Price") for cash totaling RM3,000,000.00 ("Subscription Shares").

(b) a Shareholders' Agreement ("Shareholders' Agreement") with AD, Bubblegum, Dato' Gan, HI and TSI to regulate their relationships as shareholders of Yakimbi and the management and operation of Yakimbi, which will be undertaking the business of providing secure mobile collaboration and storage solutions in the cloud; and

(c) an Option Agreement ("Option Agreement") with Bubblegum, Dato' Gan, HI and TSI to grant the right to CNA to require the existing shareholders (other than CNA) of Yakimbi to sell 275,000 ordinary shares of RM1.00 each in Yakimbi ("Option Shares") to CNA at the option price of RM3.00 per ordinary share ("Call Option") totaling RM825,000.00 during the Call Option period in accordance with the terms and subject to the conditions set out in the Option Agreement.

Upon completion of the subscription of the Subscription Shares and the acquisition of the Option Shares, the Group will hold an aggregate of 51% equity interest in Yakimbi.

On 5 December 2012, the Company announced that the subscription of the 1st Tranche of the Subscription Shares of 440,000 ordinary shares of RM1.00 each had been completed on 5 December 2012.

On 31 January 2013, the Company announced that the subscription of 116,667 ordinary shares of RM1.00 each, being partial subscription of the 2nd Tranche of the Subscription Shares by CNA in Yakimbi has been completed on even date. Accordingly, Yakimbi became 27.1% owned associate of the Group. On 28 February 2013, the Company announced that the subscription of 108,333 ordinary shares of RM1.00 each, being partial subscription of the 2nd Tranche of the Subscription Shares by CNA in Yakimbi has been completed on even date. The Group's equity interest in Yakimbi has increased from 27.1% to 30.7%.

On 1 April 2013, the Company announced that CNA entered into a Supplemental Agreement to the Investment Agreement with the same parties for the purpose of varying certain terms of the Investment Agreement.

(v) On 17 January 2013, the Company announced that CNA entered into the following agreements:-

(a) a Share Sale and Subscription Agreement ("SSA") with CME Asia Sdn Bhd ("CME") and Fiber at Home City Networks Sdn Bhd ("FHCN") to acquire 100,000 ordinary shares of RM1.00 each ("Ordinary Shares") in the capital of FHCN ("Sale Shares") from CME for a total cash consideration of RM1,000,000.00 and to subscribe for 500,000 ordinary shares of RM1.00 each in the capital of FHCN at RM4.00 per shares ("Subscription Price") for cash totaling RM2,000,000.00 ("Subscription Shares").

Upon completion of the acquisition of the Sale Shares and the subscription of the Subscription Shares, the Company will hold an aggregate of 40% equity interest in FHCN;

**Additional information required by Bursa Securities Listing Requirements
For the Fourth Quarter Ended 31 March 2013**

6 Status of corporate proposals (continued)

- (b) a Shareholders' Agreement ("Shareholders' Agreement") with CME and Wan Mohalina binti Wan Mohammad ("Wan Mohalina") to regulate their relationships as shareholders of FHCN and the management and operation of FHCN, which is principally an independent Smart Community FTTH Network infrastructure provider and telecommunication company and a license holder with Suruhanjaya Komunikasi Multimedia Malaysia (SKMM) for Network Facilities Provider (NFP), Network Service Provider (NSP) and Application Service Provider (ASP);
- (c) a Call Option Agreement ("Call Option Agreement") with FHCN to grant the right to CNA to require FHCN to issue and allot up to 1,200,000 ordinary shares of RM1.00 each in FHCN ("Option Shares") to CNA at the following issue price and in accordance with the terms and subject to the conditions set out in the Call Option Agreement:
- i) RM5.00 per ordinary share ("Call Option A") during the Call Option A period commencing from the date of completion of the SSA and ending on the day falling 12 months from such completion date ("Call Option Period A"); or
- ii) such price to be mutually agreed upon by CNA and FHCN on good faith and best endeavours basis and based on market valuation method to be mutually agreed upon by the parties ("Call Option B") during the Call Option B period commencing from the expiry of Call Option Period A and ending on the day falling three (3) years from the date of completion of the SSA ("Call Option Period B");

Upon completion of the acquisition of the Sale Shares, the subscription of the Subscription Shares and the acquisition of the Option Shares, the Group will hold an aggregate of 66.67% equity interest in FHCN.

On 23 April 2013, the Company announced that the acquisition of 60,000 Share Sale and the subscription of 250,000 ordinary shares of RM1.00 each in FHCN had been completed on 23 April 2013. Accordingly, FHCN became 24.8% owned associate of the Group.

- (vi) On 7 May 2013, the Company announced that Formis Holdings Berhad ("FHB"), a wholly-owned subsidiary of the Company, intends to undertake a Voluntary Conditional Take-Over Offer ("Offer") to acquire the following:
- (a) all the remaining ordinary shares of RM0.10 each in Microlink Solutions Berhad ("Microlink") ("Microlink Share") which are not already owned by FHB; and
- (b) all the new Microlink Shares that may be allotted and issued up to the close of the offer pursuant to the exercise of any outstanding options granted under Microlink's existing Employee Share Option Scheme,
- for a cash consideration of RM0.60 for every one (1) Microlink Share.

Accordingly, a notice of the Offer dated 7 May 2013 has been served on the Board of Directors of Microlink to notify of FHB's intention to undertake the Offer.

On 28 May 2013, the Company announced that the offer document dated 28 May 2013, which sets out the details, terms and conditions of the Offer together with the Form of Acceptance and Transfer, have been delivered to the Board of Directors of Microlink and despatched to the shareholders of Microlink or their designated agents. The Offer is open for acceptance until 5.00 p.m. (Malaysian time) on 19 June 2013, being the first closing date of the Offer, unless revised or extended in accordance with the provisions of the Malaysian Code on Take-Overs and Mergers, 2010.

As at the date of this announcement, the Offer has yet to be completed.

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 2013 are as follows:

	RM'000
Short term bank borrowings - secured	
- Denominated in RM	96,703
- Denominated in Thai Baht	1,587
Long term bank borrowings - secured	
- Denominated in RM	12,691
Total borrowings	<u>110,981</u>

All borrowings are denominated in Ringgit Malaysia.

**Additional information required by Bursa Securities Listing Requirements
For the Fourth Quarter Ended 31 March 2013**

8 Realised and Unrealised Profits or Losses

The breakdown of retained earnings / (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:

	31.03.2013 RM'000	31.12.2012 RM'000
Total retained earnings / (accumulated losses) of the Group: -		
- Realised	84,992	14,932
- Unrealised	358	(41)
	<u>85,350</u>	<u>14,891</u>
Less: Consolidation adjustments	(73,331)	(34,640)
Total Group retained earnings / (accumulated losses) as per consolidated financial statements	<u>12,019</u>	<u>(19,749)</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.

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 non-controlling interests divided by the weighted average ("WA") number of ordinary shares in issue during the financial year.

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	THREE MONTHS ENDED		TWELVE MONTHS ENDED	
	31 MARCH		31 MARCH	
	2013	2012	2013	2012
Loss after tax and non-controlling interests (RM'000)	(37,012)	(19,165)	(39,542)	(10,953)
WA number of ordinary shares in issue ('000)	185,901	185,901	185,901	185,901
Basic loss per ordinary share (sen)	<u>(19.91)</u>	<u>(10.31)</u>	<u>(21.27)</u>	<u>(5.89)</u>

(b) Fully diluted earnings per ordinary share

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

Additional information required by Bursa Securities Listing Requirements
For the Fourth Quarter Ended 31 March 2013

12 Loss before tax

	INDIVIDUAL QUARTER THREE MONTHS ENDED 31 MARCH		CUMULATIVE PERIOD TWELVE MONTHS ENDED 31 MARCH	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Loss before tax is arrived at after charging: -				
Amortisation of MUNIF transaction cost	-	31	93	150
Bad debts written off	10	1,741	10	2,070
Depreciation and amortisation	946	(258)	2,663	1,385
Impairment losses on:				
- goodwill	42,286	3,000	42,286	3,000
- software development	1,152	(305)	1,152	-
- trade receivables	561	406	899	3,589
- other receivables	-	-	2	-
Interest expenses	2,026	1,617	6,464	5,741
Inventories written down	35	420	35	420
Inventories written off	471	452	492	569
Loss on disposal of:				
- other investments	-	36	565	6
- property, plant and equipment	-	6	110	181
- subsidiary	-	674	-	674
Net loss on fair value adjustment on other investments	24	-	-	289
Property, plant and equipment written off	101	233	172	518
Realised loss on foreign currency transactions	3	93	177	-
Share of results of associates	(1,027)	781	(56)	1,369
Software development written off	-	305	-	305
Unrealised loss on foreign currency translation	617	242	641	180
And crediting: -				
Bad debts recovered	-	51	39	51
Dividend income	80	65	90	76
Fair value gain on trade receivables	29	199	29	199
Gain on disposal of:				
- property, plant and equipment	3	-	4	-
- other investments	67	-	80	-
Gain on remeasurement of investment	366	-	366	-
Interest income	356	426	1,340	1,821
Inventories written down no longer required	77	53	77	53
Net gain on fair value adjustment on other investments	-	100	83	-
Reversal of impairment losses on:				
- trade receivables	1,094	-	1,714	2,083
- leasehold land and building	631	-	631	-
Realised gain on foreign currency transactions	167	291	816	1,135
Unrealised gain on foreign currency translation	-	-	2	-

SUMMARY OF STATUS OF MATERIAL LITIGATIONS AS AT 30 MAY 2013

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 ("FRB"); 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 26 February 2013, the Judge disallowed the striking out applications filed by the 2nd, 5th, 12th and 13th Defendant on the basis that the applicants had failed to satisfy him that the Plaintiff's suit, on the face of it, is obviously unsustainable, frivolous, vexatious, scandalous or an abuse of Court process. The Judge also awarded that costs of RM5,000 be paid to the Plaintiff for each application. The Plaintiff's solicitor also informed the Judge that the hearing of the Plaintiff's application for leave to proceed with its claim against the 12th Defendant from the Shah Alam winding up Court is fixed on 1 March 2013. Since the Judge was of the view that the leave application could have an effect on the role of the 13th Defendant's solicitor (who also acted for the 12th Defendant until it was wound up), the Judge fixed 11 March 2013 for further case management pending the decision on the Plaintiff's leave application.</p> <p>At the case management on 11 March 2013, the Plaintiff's solicitors informed the Judge that they had successfully obtained leave from the Shah Alam High Court on 1 March 2013 to proceed with the current action against the 12th Defendant. The Judge vacated the trial dates on 20th and 21st May 2013 and fixed the trial dates on 22 May 2013 and 23rd to 27th September 2013. The trial commenced on 22nd May 2013, wherein the Plaintiff's witness gave evidence in chief. This was followed by cross examination of the Plaintiff's witness by counsel for the 2nd and 5th Defendants and then cross examination by counsel for the 1st, 3rd, 4th, 6th - 11th Defendants. The matter has been fixed for continued trial on 19th September 2013, when the Plaintiff's witness will be cross examined by counsel for the 13th Defendant followed by re-examination by the Plaintiff's counsel. Thereafter the Plaintiff will close its case and the Defendants will be asked to open their case. The trial dates, which were initially fixed on 23rd - 27th September 2013, have been changed. The new set of trial dates are 19th, 20th, 23rd, 24th and 26th September 2013.</p>

SUMMARY OF STATUS OF MATERIAL LITIGATIONS AS AT 30 MAY 2013

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	The Parties are in the midst of complying with pre-hearing directions. The arbitration has been fixed for hearing on 2nd to 6th December 2013.
2	Formis Automation Sdn Bhd ("FASB") vs. Lingkaran Teknik Sdn Bhd ("LTSB")		Kuala Lumpur Regional Centre for Arbitration	<p>At the meeting before the Arbitrator on 25 February 2013, LTSB formally applied to amend its Defence and Counterclaim. The hearing of LTSB's application was fixed on 8 March 2013 (which was also the next preliminary meeting date). At the meeting on 8 March 2013, FASB informed the Arbitrator that it also intends to amend its points of claim and suggested that both parties be allowed to amend their relevant claims and directions be given in respect of the same. The Arbitrator agreed and issued fresh directions and time lines on filing of the amended pleadings as well as documents and witness statements. The parties are in the midst of complying with those directions. Due to these new developments, the hearing dates for the arbitration which were initially fixed on 10, 11, 23, 24 and 25 April 2013 have been vacated and the arbitration is now fixed for hearing on 9, 10, 11, 12 and 13 September 2013.</p> <p>The committal application (which was filed due to LTSB's failure to deposit the approved sum for Progress Claim 24 into the joint account between FASB and LTSB and thus LTSB's failure to comply with the High Court order dated 13th January 2012 which requires that all payments made by the employer to LTSB in respect of the project is to be deposited by LTSB into the said joint account pending the disposal of the arbitration proceedings) was initially fixed for hearing on 19 March 2013. However, on 18 March 2013, FASB received an application from LTSB to set aside the Court Order or alternatively for FASB to deposit a sum of RM1,150,063.46 into the Joint Account pending disposal of the arbitration proceedings ("Setting Aside Application"). At the hearing of FASB's committal application fixed on 19 March 2013, the Court decided that LTSB's Setting Aside Application was to be disposed first before it proceeded to hear the Committal Application. The Setting Aside Application was fixed for hearing on 17 April 2013 and after hearing submissions from both parties, the Judge fixed the Setting Aside Application for decision to 23 April 2013. On 23 April 2013, the Court dismissed LTSB's Setting Aside Application with costs of RM5,000.00. The committal application, which was fixed for hearing on 14 May 2013, has been re-fixed for hearing on 3 June 2013 as parties are trying to see if they can amicably reach a settlement on Progress Claim 24.</p>