

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2013**

	INDIVIDUAL QUARTER THREE MONTHS ENDED 30 JUNE		CUMULATIVE PERIOD THREE MONTHS ENDED 30 JUNE	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Revenue	69,312	73,948	69,312	73,948
Cost of sales	(54,661)	(60,143)	(54,661)	(60,143)
Gross profits	14,651	13,805	14,651	13,805
Other income	1,457	2,373	1,457	2,373
Other operating expenses	(15,510)	(15,670)	(15,510)	(15,670)
Finance costs	(1,713)	(1,555)	(1,713)	(1,555)
Share of results of associates, net of tax	1,998	(1,791)	1,998	(1,791)
Profit / (Loss) before tax	883	(2,838)	883	(2,838)
Tax expense	(820)	(1,088)	(820)	(1,088)
Profit / (Loss) for the financial period	63	(3,926)	63	(3,926)
Other comprehensive (loss) / income, net of tax				
Items that may be reclassified subsequently to profit or loss:				
- Foreign currency translation differences for foreign operations	(120)	(524)	(120)	(524)
- Share of foreign currency translation of associates	(75)	8	(75)	8
Other comprehensive loss for the financial period, net of tax	(195)	(516)	(195)	(516)
Total comprehensive loss for the financial period	(132)	(4,442)	(132)	(4,442)
Profit / (Loss) attributable to:-				
Owners of the Parent	545	(4,080)	545	(4,080)
Non-controlling interests	(482)	154	(482)	154
Profit / (Loss) for the financial period	63	(3,926)	63	(3,926)
Total comprehensive income / (loss) attributable to:-				
Owners of the Parent	414	(4,399)	414	(4,399)
Non-controlling interests	(546)	(43)	(546)	(43)
Total comprehensive loss for the financial period	(132)	(4,442)	(132)	(4,442)
Earnings / (Loss) per ordinary share (sen)				
-Basic	0.22	(2.19)	0.22	(2.19)
-Diluted	0.22	(2.19)	0.22	(2.19)

(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 2013.)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

	As at 30.06.2013 RM'000	As at 31.03.2013 RM'000	As at 01.04.2012 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment	9,274	8,754	3,844
Investment in associates	38,639	33,809	19,209
Software development costs	-	-	1,752
Other investments	5,161	2,013	2,076
Investment property	32	32	32
Other receivables	24,984	14,142	13,056
Goodwill	63,349	63,349	104,481
Deferred tax assets	202	564	858
	<u>141,641</u>	<u>122,663</u>	<u>145,308</u>
Current Assets			
Other investments	6,421	6,384	10,754
Inventories	25,671	18,025	14,378
Trade receivables	72,255	65,648	82,630
Other receivables, deposits and prepayments	59,889	71,175	56,160
Amount owing by associates	558	414	-
Current tax assets	2,577	2,115	2,362
Cash and cash equivalents	79,933	67,578	61,262
	<u>247,304</u>	<u>231,339</u>	<u>227,546</u>
Assets of disposal groups classified as held for sale	-	-	3,500
TOTAL ASSETS	<u>388,945</u>	<u>354,002</u>	<u>376,354</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the Parent			
Share capital	176,093	92,950	185,901
Share premium	9,744	9,744	9,744
Other reserves	36,363	25,272	286
(Accumulated losses) / Retained earnings	(1,719)	11,085	(17,152)
	<u>220,481</u>	<u>139,051</u>	<u>178,779</u>
Non-controlling interests	14,584	17,737	15,003
TOTAL EQUITY	<u>235,065</u>	<u>156,788</u>	<u>193,782</u>
Non-Current Liabilities			
Borrowings	19,009	12,691	14,223
Provision for post employment benefits	185	191	87
Deferred tax liabilities	151	236	767
	<u>19,345</u>	<u>13,118</u>	<u>15,077</u>
Current Liabilities			
Trade payables	30,779	18,019	22,649
Other payables, deposits and accruals	56,217	66,839	63,913
Borrowings	47,012	98,290	76,659
Current tax payables	527	948	774
	<u>134,535</u>	<u>184,096</u>	<u>163,995</u>
Liabilities of disposal groups classified as held for sale	-	-	3,500
TOTAL LIABILITIES	<u>153,880</u>	<u>197,214</u>	<u>182,572</u>
TOTAL EQUITY AND LIABILITIES	<u>388,945</u>	<u>354,002</u>	<u>376,354</u>
Net assets per share (RM)	<u>0.63</u>	<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 2013.)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2013

	Attributable to owners of the Parent					Distributable Retained earnings / (Accumulated losses) RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Non-distributable								
	Ordinary shares RM'000	Share premium RM'000	Capital reserve RM'000	Warrant reserve RM'000	Exchange translation reserve RM'000				
Three Months Financial Period Ended 30 June 2013									
Balance as at 1 April 2013									
- as previously stated	92,950	9,744	24,663	-	609	11,970	139,936	17,737	157,673
- effects of adoption of IFRIC 15	-	-	-	-	-	(885)	(885)	-	(885)
Balance as at 1 April 2013, as restated	92,950	9,744	24,663	-	609	11,085	139,051	17,737	156,788
Profit / (Loss) after tax for the financial period	-	-	-	-	-	545	545	(482)	63
Foreign currency translation for foreign operations	-	-	-	-	(56)	-	(56)	(64)	(120)
Share of foreign currency translation of associates	-	-	-	-	(160)	85	(75)	-	(75)
Total comprehensive (loss) / income for the financial period	-	-	-	-	(216)	630	414	(546)	(132)
Transactions with owners									
Shares issued pursuant to the Rights Issue with Warrants	83,143	-	-	11,307	-	(11,307)	83,143	-	83,143
Arising from accretion of equity interest in a subsidiary	-	-	-	-	-	(2,127)	(2,127)	(2,607)	(4,734)
Total transactions with owners	83,143	-	-	11,307	-	(13,434)	81,016	(2,607)	78,409
Balance as at 30 June 2013	176,093	9,744	24,663	11,307	393	(1,719)	220,481	14,584	235,065

	Attributable to owners of the Parent					Distributable Accumulated losses RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Non-distributable								
	Ordinary shares RM'000	Share premium RM'000	Capital reserve RM'000	Warrant reserve RM'000	Exchange translation reserve RM'000				
Three Months Financial Year Period 30 June 2012									
Balance as at 1 April 2012	185,901	9,744	-	-	286	(17,152)	178,779	15,003	193,782
(Loss) / Profit after tax for the financial period	-	-	-	-	-	(4,080)	(4,080)	154	(3,926)
Foreign currency translation for foreign operations	-	-	-	-	(327)	-	(327)	(197)	(524)
Share of foreign currency translation of associates	-	-	-	-	8	-	8	-	8
Total comprehensive loss for the financial period	-	-	-	-	(319)	(4,080)	(4,399)	(43)	(4,442)
Balance as at 30 June 2012	185,901	9,744	-	-	(33)	(21,232)	174,380	14,960	189,340

(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 2013.)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
 FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2013**

	THREE MONTHS ENDED 30 JUNE	
	2013	2012
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax	883	(2,838)
Adjustment for non-cash items:		
Depreciation and amortisation	419	516
Dividend income	(9)	-
Impairment losses on trade receivables	49	369
Interest expense	1,647	1,463
Interest income	(282)	(404)
Net (gain) / loss on fair value adjustments on other investments	(112)	3
Net loss on disposal of other investments	-	565
Net (gain) / loss on disposal of property, plant and equipment	(2)	81
Net unrealised gain on foreign currency exchange	(81)	(248)
Property, plant and equipment written off	151	48
Reversal of impairment loss on trade receivables	(19)	(223)
Share of results of associates	(1,998)	1,791
Other non-cash items	-	31
	<u>646</u>	<u>1,154</u>
Operating (loss) / profit before working capital changes		
Net changes in assets	(14,264)	7,279
Net changes in liabilities	4,413	(8,552)
	<u>(9,205)</u>	<u>(119)</u>
Net cash used in operations		
Tax paid	(1,442)	(1,340)
Tax refund	11	228
	<u>(10,636)</u>	<u>(1,231)</u>
Net cash used in operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of associates	(4,079)	(5,352)
Acquisition of non-controlling interest	(4,733)	-
Interest received	282	404
Dividend received	1,179	-
Withdrawal of fixed deposits pledged	15,423	164
Proceeds from disposal of other investments	-	2,949
Proceeds from disposal of property, plant and equipment	18	2
Purchase of other investments	(3,076)	-
Purchase of property, plant and equipment	(924)	(362)
	<u>4,090</u>	<u>(2,195)</u>
Net cash from / (used in) investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of borrowings	12,345	10,711
Repayment of borrowings	(26,465)	(4,197)
Proceeds from shares issued pursuant to the Rights Issue with Warrants	83,143	-
Interest paid	(1,647)	(1,463)
	<u>67,376</u>	<u>5,051</u>
Net cash from financing activities		
Net increase in cash and cash equivalents	60,830	1,625
Cash and cash equivalents at 1 April 2013/2012*	(3,476)	35,332
Effect of foreign exchange on opening balance	(43)	(704)
	<u>57,311</u>	<u>36,253</u>
Cash and cash equivalents at 30 June 2013/2012*		

* 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 2013.)

**Notes to the Interim Financial Report
For the First Quarter Ended 30 June 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 2013. 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 2013.

2 Significant Accounting Policies

First-time Adoption of Malaysian Financial Reporting Standards ("MFRS")

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 IFRIC Interpretation 15 *Agreements for the Construction of Real Estate* ("IFRIC 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 three years. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2015. The Group falls within the definition of Transitioning Entities and has accordingly, opted to defer the adoption of the MFRS Framework in the previous financial year beginning 1 April 2012. However, the Group has opted to early adopt the MFRS framework commencing 1 April 2013. The MFRS Framework comprises standards as issued by the International Accounting Standards Board ("IASB"). This condensed quarterly report has applied MFRS 1 "*First-time Adoption of Malaysian Financial Reporting Standards*".

Subject to certain transition elections and the financial impact arising from the adoption of IFRIC 15 *Agreements for the Construction of Real Estate* ("IFRIC 15") as disclosed below, the Group has consistently applied the same accounting policies in its opening MFRS statement of financial position as at 1 April 2012 (date of transition) and throughout all financial periods presented, as if these policies had always been in effect. Comparative figures for financial year ended 31 March 2013 in this condensed report have been restated to give effect to these changes. Nonetheless, there are changes to the presentation of the statement of comprehensive income as guided by the Amendments to MFRS 101 *Presentation of Items of Other Comprehensive Income*.

(a) MFRS mandatory exceptions

Estimates

MFRS estimates as at the date of transition are consistent with the estimates as at the same date made in conformity with FRS.

Hedge accounting

Hedge accounting can only be applied prospectively from the date of transition to a hedging relationship that qualifies for hedge accounting under MFRS 139 "*Financial Instruments: Recognition and Measurement*" at that date. Hedging relationships cannot be designated retrospectively. The Group has not applied hedge accounting in the current quarter.

(b) MFRS exemption options

Exemption for business combinations

MFRS 1 provides the option to apply MFRS 3 "*Business Combinations*" prospectively for business combinations that occurred from the date of transition or from a designated date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date or a designated date prior to the transition date. The Group has elected to apply MFRS 3 retrospectively to all its business combinations that occurred prior to and from 1 January 2002 (date of transition) and onwards. Business combinations that occurred prior to 1 January 2002 have been restated. In addition, the Group has also applied MFRS 127 "*Consolidated and Separate Financial Statements*" from the same date.

Exemption for cumulative foreign currency translation differences

MFRS 1 permits cumulative foreign currency translation gains and losses for all foreign operations to be reset to zero at the date of transition. This provides relief from determining cumulative currency translation differences in accordance with MFRS 121 "*The Effects of Changes in Foreign Exchange Rates*" from the date a foreign operation was acquired. The Group does not elect to reset all cumulative translation differences to zero against its opening retained earnings as at 1 April 2013.

(c) Effect of adopting IFRIC 15 *Agreements for the Construction of Real Estate* ("IFRIC 15")

IFRIC 15 replaces the existing FRS 201₂₀₀₄, *Property Development Activities* and provides guidance on how to determine whether an agreement for the construction of real estate is within the scope of MFRS 111 *Construction Contracts* or MFRS 118 *Revenue* as well as guidance on accounting for revenue from construction of real estate. The adoption of IFRIC 15 may result in a change in accounting policy which will be applied retrospectively.

Prior to the transition to IFRIC 15, two of the Group's associates had recognised its property development revenue and expenses in the statement of comprehensive income using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs. Upon the transition to IFRIC 15 on 1 April 2012, the property development activity of those associates is determined to be an activity for the sale of goods as those associates are required to provide services together with construction materials in order to perform its contractual obligation to deliver the real estate to the buyer, hence the criteria for recognition of revenue set out in paragraph 14 of MFRS 118 *Revenue* apply.

**Notes to the Interim Financial Report
For the First Quarter Ended 30 June 2013**

2 Significant Accounting Policies (continued)

First-time Adoption of Malaysian Financial Reporting Standards ("MFRS") (continued)

A summary of the financial impact of the change in accounting policy on the financial statements of the Group is as follows:

	As at 31.03.2013 RM'000	As at 01.04.2012 RM'000
Statement of Financial Position		
<u>Investment in associates</u>		
As previously stated	34,694	19,209
Effects of change in accounting policy	(885)	-
As restated	<u>33,809</u>	<u>19,209</u>
<u>Goodwill</u>		
As previously stated	83,363	124,495
Effects of change in accounting policy	(20,014)	(20,014)
As restated	<u>63,349</u>	<u>104,481</u>
<u>Other receivables, deposits and prepayments</u>		
As previously stated	51,161	36,146
Effects of change in accounting policy	20,014	20,014
As restated	<u>71,175</u>	<u>56,160</u>
<u>Retained earnings / (Accumulated losses)</u>		
As previously stated	11,970	(17,152)
Effects of change in accounting policy	(885)	-
As restated	<u>11,085</u>	<u>(17,152)</u>
	As at 31.03.2013 RM'000	As at 01.04.2012 RM'000
Statement of Comprehensive Income		
<u>Investment in associates</u>		
As previously stated	34,694	19,209
Effects of change in accounting policy	(885)	-
As restated	<u>33,809</u>	<u>19,209</u>

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 2013 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 28 May 2013, the Company issued 166,284,975 new ordinary shares of RM0.50 each pursuant to the Rights Issue with Warrants of the Company at an issue price of RM0.50 per ordinary share for cash together with 83,142,487 free detachable Warrants ("Warrants 2013/2018"). The said shares were granted listing and quotation on the Main Market of Bursa Securities on 4 June 2013. The total cash proceeds of RM83,142,487.50 raised from the rights issue 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 new ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.

An additional of 13,566,634 Warrants 2011/2016 issued resulting from the adjustment to the number of Warrants 2011/2016 as specified in the Deed Poll pursuant to the Rights Issue with Warrants with effect on 4 June 2013. The exercise price of the Warrants 2011/2016 has also been revised from RM1.10 to RM0.96 pursuant to the Rights Issue with Warrants.

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.

**Notes to the Interim Financial Report
For the First Quarter Ended 30 June 2013**

8 Dividends paid

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

9 Segmental reporting

In the previous financial year, the Group's reportable segments were identified as Distribution, Networks, Software, Solutions and Systems. From the beginning of the current financial year, the Group has reorganised the structure of its business segments. Arising from this, the Group's reportable segments has changed to as follows: -

- Business Performance Services - Provision of business performance improvement related services
- Trading & Distribution Services - Distribution and reselling of hardware and software and related services
- Digital & Infrastructure Services - Provision of a comprehensive range of tele/data communication, networking solutions and related services

Other operating segments that do not constitute reportable segments comprise operations related to property development and investment holding.

Following the change in the composition of its reportable segments, the corresponding information for earlier periods has been restated.

Business Segments	Business Performance Services RM'000	Trading & Distribution Services RM'000	Digital & Infrastructure Services RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Three Months Financial Period Ended 30 June 2013						
External sales	29,329	36,198	3,776	9	-	69,312
Inter segment sales	2,743	1,668	4,510	651	(9,572)	-
Total Sales	<u>32,072</u>	<u>37,866</u>	<u>8,286</u>	<u>660</u>	<u>(9,572)</u>	<u>69,312</u>
Segment results	(41)	797	1,328	(1,834)	-	250
Share of results of associates						1,998
Interest expense						(1,647)
Interest Income						282
Profit before taxation						<u>883</u>
Segment assets	<u>127,693</u>	<u>63,044</u>	<u>33,579</u>	<u>164,629</u>	<u>-</u>	<u>388,945</u>
Three Months Financial Year Period 30 June 2012						
External sales	27,609	34,015	12,324	-	-	73,948
Inter segment sales	1,713	3,748	2,917	729	(9,107)	-
Total Sales	<u>29,322</u>	<u>37,763</u>	<u>15,241</u>	<u>729</u>	<u>(9,107)</u>	<u>73,948</u>
Segment results	(2,390)	1,321	2,781	(1,700)	-	12
Share of results of associates						(1,791)
Interest expense						(1,463)
Interest Income						404
Loss before taxation						<u>(2,838)</u>
Segment assets	<u>116,882</u>	<u>62,368</u>	<u>37,629</u>	<u>153,603</u>	<u>-</u>	<u>370,482</u>

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 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:

- all the remaining ordinary shares of RM0.10 each in Microlink Solutions Berhad ("Micro") ("Microlink Share") which are not already owned by FHB; and
- 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 Micro to notify them of FHB's intention to undertake the Offer. The Group acquired Micro in order to strengthen its position as a leading provider of information technology services in Malaysia and to enlarge the range of products it could offer to its clients.

On 28 May 2013, 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 Micro and despatched to the shareholders of Micro 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. On 17 June 2013, the Company through its adviser announced that the closing date and time of the Offer has been extended from 5.00 p.m. (Malaysian time) on Wednesday, 19 June 2013 to 5.00 p.m. (Malaysian time) on Tuesday, 9 July 2013 ("Extended Closing Date"). On 5 July 2013, the Company through its adviser announced that the closing date of the Offer has been further extended from 5.00 p.m. (Malaysian time) on Tuesday, 9 July 2013 to 5.00 p.m. (Malaysian time) on Thursday, 25 July 2013 ("2nd Extended Closing Date").

**Notes to the Interim Financial Report
For the First Quarter Ended 30 June 2013**

11 Subsequent events (continued)

On 8 July 2013, the Company announced that the shareholders of the Company have approved the Offer at the Extraordinary General Meeting held on the even date. On 15 July 2013, the Company through its adviser announced that subsequent to the approval of the Offer by the shareholders of the Company, FHB had between 11 July 2013 and 12 July 2013 acquired additional 12,304,000 Microlink shares from the open market and off-market, representing approximately 9.21% of the issued and paid-up share capital of Micro. In view of the aforesaid acquisition of Microlink shares, the percentage shareholdings of FHB in Micro has increased from 29.20% to 38.41%, which has exceeded 33% of the issued and paid-up share capital of Micro. Pursuant to Section 9(1) of the Code on Take-Overs And Mergers 2010 ("Code"), the voluntary take-over offer has become a mandatory take-over offer and will be subject to the relevant provisions of the Code relating to Mandatory Offers.

On 23 July 2013, the Company through its adviser announced that as at 5.00 p.m. (Malaysian time) on Tuesday, 23 July 2013, the Company has received valid acceptances from the holders of the Offer resulting in the Company holding in aggregate, together with such Microlink shares that are already acquired, held or entitled to be acquired or held, more than fifty percent (50%) of the total voting shares of Microlink. Accordingly, the Offer has become unconditional as to the level of acceptances as of 23 July 2013 ("Unconditional Date").

Pursuant to Section 25(3) of the Code and in accordance with the terms and conditions as set out in the Offer Document, the Company shall keep the Offer open for acceptances for at least fourteen (14) days from the Unconditional Date. In relation thereto, the closing date and time for acceptance of the Offer have been extended from 5.00 p.m. (Malaysian time) on Thursday, 25 July 2013 to 5.00 p.m. (Malaysian time) on Monday, 12 August 2013, being twenty (20) days from the Unconditional Date.

On 6 August 2013, the Company through its adviser announced that as at 5.00 p.m. (Malaysian time) on Tuesday, 6 August 2013, the Company has received valid acceptances from holders of the Offer Shares resulting in the Company holding in aggregate, together with such Microlink Shares that are already acquired, held or entitled to be acquired or held, more than nine-tenths (i.e. more than 92.83%) in the nominal value of the voting shares of Microlink (excluding the Microlink Shares already held at the date of the Offer by FHB and its PAC). Notwithstanding the above, the Company does not intend to invoke Section 222(1) of the CMSA to compulsorily acquire any outstanding Offer Shares for which valid acceptances have not been received prior to the Closing Date.

As announced on 6 August 2013, Bursa Malaysia Securities Berhad ("Bursa Securities") will suspend the trading of Microlink Shares with effect from 9.00 a.m. (Malaysian time) on Friday, 6 September 2013. The suspension will result in Microlink Shares no longer being traded on Bursa Securities and there will no longer be an active market for trading of Microlink Shares.

In addition to the foregoing, a notice will be issued to holders of Microlink Shares who have not accepted the Offer in due course pursuant to subsection 223(2) of the CMSA setting out, amongst others, the rights of minority shareholders to require the Company to acquire the Microlink Shares on the same terms as the Offer or such other terms as may be agreed or as the High Court, on an application made to it by the minority shareholders or by the Company, think fit to order.

(ii) On 22 July 2013, NPSB, a wholly-owned subsidiary of the Group, has entered into the following agreements:-

- (a) Shareholders' Agreement with Pehin Orang Kaya Pekerma Lela Dato Paduka Hj Awang Chuchu bin Penglima Asgar Dato Paduka Hj Awang Abdullah ("PDAC") and PDAC Formis Sdn Bhd, to set up a joint venture company in Brunei Darussalam namely, PDAC Formis Sdn Bhd which will be undertaking the business(es) in Brunei amongst others, in information technology related businesses, property development etc., to regulate their relationships as shareholders of PDAC Formis Sdn Bhd ("Shareholders' Agreement"); and
- (b) Supplemental Agreement with PDAC and PDAC Formis Sdn Bhd for the purpose of recording some arrangements and understanding relating and supplemental to the Shareholders' Agreement;

collectively referred to as the "Agreements".

NPSB shall, at all times, have 70% shareholding in PDAC Formis Sdn. Bhd. whilst PDAC shall be the minority shareholder with 30% shareholding.

(iii) On 6 Aug 2013, the Company announced to undertake a Proposed Private Placement of up to 10% of the issued and paid-up share capital of the Company to third party investors to be determined later. The actual number of Placement Shares to be issued pursuant to the Proposed Private Placement will depend on the total issued and paid-up share capital of the Company on a date to be determined and announced later, after obtaining all the relevant approvals.

The additional listing application pursuant to the Proposed Private Placement has been submitted to Bursa Malaysia Securities Berhad on 15 Aug 2013.

(iv) On 13 August 2013, the Company entered into a Shareholder's Agreement with Chelsea Apps Factory Ltd ("CAF") and Chelsea Apps Factory Bangsar Sdn Bhd (formerly known as Prism Portal Asia Sdn Bhd) ("CAFB"), a 85% owned subsidiary of the Group to record certain commitments vis-à-vis each other as shareholders of CAFB and in respect of the management of CAFB concerning the business of conception, design, development, testing and licensing of software for mobile handheld devices including smartphones and tablets. ("Shareholder's Agreement").

CAFB was incorporated as a private limited company on 24 September 2007 in Malaysia under the Companies Act, 1965 under the name of Prism Portal Asia Sdn Bhd and assumed its present name on 25 July 2013. As at 13 August 2013, the authorised share capital of CAFB is RM100,000 comprising 100,000 ordinary shares of RM1.00 each ("CAFB Shares"), of which 10 comprising 10 CAFB Shares have been issued and credited as fully paid-up. CAFB is a currently dormant and the intended principal activity is to carry on the business of conception, design, development, testing and licensing of software for mobile handheld devices including smartphones and tablets.

CAF was incorporated under the laws of United Kingdom in 2010 and specialises in Apps Consultancy and Production.

Upon the execution of the Shareholder's Agreement, the Company shall cause the existing shareholder of CAFB to transfer the CAFB Shares within thirty (30) days in the following proportions:

No.	Registered Shareholders	No. of Shares
1.	CAF	2
2.	FRB	8
		10

The Company shall, at all times, have 80% shareholding in CAFB whilst CAF shall be the minority shareholder with 20% shareholding.

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.

Notes to the Interim Financial Report
For the First Quarter Ended 30 June 2013**12 Changes in the composition of the group**

(a) Subsidiaries

- (i) On 12 June 2013, FHB entered into a Shares Sale Agreement with Mohamed Maharoof Bin Vaheed ("Maharoof") for the acquisition of the remaining 343,000 ordinary shares of RM1.00 each in First Solutions Sdn Bhd ("FIRST"), representing 49% of the issued and paid-up capital of FIRST from Maharoof for a total cash consideration of RM4,733,400 ("Acquisition"). The Acquisition has been completed on 14 June 2013. Accordingly, FIRST became 100% owned subsidiary of the Group on the even date.
- (ii) On 28 June 2013, Formis Development Sdn Bhd ("FDSB"), a wholly-owned subsidiary of the Group had on 26 June 2013 incorporated a wholly-owned subsidiary company known as Ohana Business Specialist Sdn Bhd ("Ohana") with issued and fully paid-up share capital of RM2.00 comprising 2 ordinary shares of RM1.00 each. Ohana has yet to commence business.

(b) Associate

- (i) During the financial quarter under review, Continuous Network Advisers Sdn. Bhd. ("CNA"), a wholly-owned subsidiary of the Company has completed the subscription of 335,000 ordinary shares of RM1.00 each, being of the third and fourth tranche of the Subscription Shares by CNA in its existing associate, Yakimbi Sdn. Bhd. ("Yakimbi"). Accordingly, the Group's equity interest in Yakimbi has increased from 30.7% to 40%.
- (ii) 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 Fiber at Home City Networks Sdn Bhd ("FHCN") pursuant to the Share Sale and Subscription Agreement ("SSA") with CME Asia Sdn Bhd ("CME") and FHCN entered into on 17 January 2013 has been completed on 23 April 2013. The acquisition of the remaining 40,000 Sale Shares and the subscription of the remaining 250,000 Subscription Shares has been completed on 7 June 2013 as mutually agreed upon by CNA and FHCN. Accordingly, FHCN became a 40% owned associate of the Group.

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 leasing party for leasing facilities to subsidiaries	<u>8,579</u>
FHB	
- to leasing party for leasing facilities to a subsidiary	<u>2,254</u>

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

FRB	
- to financial institution for facilities granted	<u>80,000</u>
FHB	
- to leasing party for leasing facilities to a subsidiary	<u>2,223</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. Yakimbi)	
- Authorised and contracted for	<u>184</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 First Quarter Ended 30 June 2013**

1 Detailed analysis of performance

The Group's revenue decreased by RM4.6 mil from RM73.9 million in the corresponding quarter of the preceding financial year to RM69.3 million in the current quarter under review.

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

	INDIVIDUAL QUARTER THREE MONTHS ENDED 30 JUNE			CUMULATIVE PERIOD THREE MONTHS ENDED 30 JUNE		
	2013	2012	Variance	2013	2012	Variance
	RM'000	RM'000	%	RM'000	RM'000	%
Business Performance Services	32,072	29,322	9.4	32,072	29,322	9.4
Trading & Distribution Services	37,866	37,763	0.3	37,866	37,763	0.3
Digital & Infrastructure Services	8,286	15,241	(45.6)	8,286	15,241	(45.6)
Others	660	729	(9.5)	660	729	(9.5)
	<u>78,884</u>	<u>83,055</u>	<u>(5.0)</u>	<u>78,884</u>	<u>83,055</u>	<u>(5.0)</u>
Less : Inter Segment Revenue	(9,572)	(9,107)		(9,572)	(9,107)	
Total Group Revenue	<u>69,312</u>	<u>73,948</u>	<u>(6.3)</u>	<u>69,312</u>	<u>73,948</u>	<u>(6.3)</u>

The Business Performance Services segment recorded an increase in revenue for the current quarter under review as compared to the corresponding quarter of the preceding financial year by RM2.8 million due to the increase in billings for a project in Brunei and E-Courts maintenance and support services for the application system that was previously sold in Peninsular Malaysia.

The Digital & Infrastructure Services segment showed a decrease in revenue by RM7.0 million in the current quarter compared to the corresponding quarter of the preceding financial year. The higher revenue in the corresponding quarter of the preceding financial year was mainly attributable to the completion of a sizeable project amounting to RM8.1 million.

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

	INDIVIDUAL QUARTER THREE MONTHS ENDED 30 JUNE			CUMULATIVE PERIOD THREE MONTHS ENDED 30 JUNE		
	2013	2012	Variance	2013	2012	Variance
	RM'000	RM'000	%	RM'000	RM'000	%
Business Performance Services	(176)	(2,406)	92.7	(176)	(2,406)	92.7
Trading & Distribution Services	740	1,442	(48.7)	740	1,442	(48.7)
Digital & Infrastructure Services	1,354	2,796	(51.6)	1,354	2,796	(51.6)
Others	(1,035)	(4,670)	77.8	(1,035)	(4,670)	77.8
Profit / (Loss) before tax	<u>883</u>	<u>(2,838)</u>	<u>131.1</u>	<u>883</u>	<u>(2,838)</u>	<u>131.1</u>

The Group turnaround from a loss before tax of RM2.8 million in the correspondence quarter of the preceding financial year to a profit before tax of RM0.9 million for the current quarter under review. The improved performance is mainly contributed from the share of profit from associates of RM2.0 million during the current quarter under review recorded under Others segment.

The Business Performance Services segment's performance improved with a lower loss before tax in the current quarter under review. The reduction in loss is attributable from higher revenue recorded and improved gross profit margin during the current quarter under review.

The Digital & Infrastructure Services segment's profit before tax registered a reduction of approximately RM1.2 million in the current quarter under review which is mainly resulted from the decrease in revenue as aforementioned.

2 Variation of results against preceding quarter

	3 months ended 30.06.2013	3 months ended 31.03.2013	Variance %
	RM'000	RM'000	
Profit / (Loss) before tax	<u>883</u>	<u>(33,507)</u>	102.6%

The Group recorded a profit before tax of RM0.9 million for the current quarter under review against a loss before tax of RM33.5 million in the immediate preceding quarter. The higher loss before tax in the preceding quarter was due to the impairment losses on goodwill and software development costs of RM42.3 million and RM1.1 million respectively incurred during the preceding quarter.

**Additional information required by Bursa Securities Listing Requirements
For the First Quarter Ended 30 June 2013**

3 Business prospects

With the positive outcome of the first quarter's financial performance, the Board is optimistic of the Group's financial performance for the current financial year.

New products and services are expected to be launched later in the year under the Group's Business Performance Services and Digital & Infrastructure Services business segments as part of the Group's ongoing initiatives to expand its business offerings. Efforts will continue in exploring, identifying and pursuing potential business partnerships with synergistic businesses domestically and as well as internationally.

The completion of the take-over offer for the acquisition of Microlink Solutions Berhad ("Microlink"), which effectively turns Microlink into a subsidiary of the Group, is expected to contribute positively to the Group's financial performance. Additionally, the expected sustainable turnaround of associate, Ho Hup Construction Company Berhad, will further contribute to the Group's financial performance.

4 Profit forecast

Not applicable.

5 Income tax expense

	INDIVIDUAL QUARTER THREE MONTHS ENDED 30 JUNE		CUMULATIVE PERIOD THREE MONTHS ENDED 30 JUNE	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
	Current tax expense			
- Malaysian taxation	482	995	482	995
- Foreign taxation	62	29	62	29
	<u>544</u>	<u>1,024</u>	<u>544</u>	<u>1,024</u>
Over provision in prior period				
- Foreign taxation	(1)	(63)	(1)	(63)
	<u>543</u>	<u>961</u>	<u>543</u>	<u>961</u>
Deferred taxation				
- origination and reversal of temporary differences	277	127	277	127
- Malaysian taxation				
	<u>820</u>	<u>1,088</u>	<u>820</u>	<u>1,088</u>

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

6 Status of corporate proposals

- (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.

The Company applied for two extensions of time of six (6) months each up to 5 July 2013 and 5 January 2014 respectively to complete the Rights Issue with Warrants. The said applications have been approved by Bursa Securities on 24 December 2012 and 28 June 2013 respectively.

As at the date of this report, the Proposed Rights Issue With Warrants has yet to be completed.

- (ii) Pursuant to the Rights Issue with Warrants exercise, the Company announced on 28 May 2013 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 listed and quoted on the Main Market of Bursa Malaysia on 4 June 2013.

**Additional information required by Bursa Securities Listing Requirements
For the First Quarter Ended 30 June 2013**

6 Status of corporate proposals (continued)

An additional of 13,566,634 Warrants 2011/2016 issued resulting from the adjustment to the number of Warrants 2011/2016 as specified in the Deed Poll pursuant to the Rights Issue with Warrants with effect on 4 June 2013. The exercise price of the Warrants 2011/2016 has also been revised from RM1.10 to RM0.96 pursuant to the Rights Issue with Warrants.

- (iii) 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 Fiber at Home City Networks Sdn Bhd ("FHCN") pursuant to the Share Sale and Subscription Agreement ("SSA") with CME Asia Sdn Bhd ("CME") and FHCN entered into on 17 January 2013 has been completed on 23 April 2013. The acquisition of the remaining 40,000 Sale Shares and the subscription of the remaining 250,000 Subscription Shares has been completed on 7 June 2013 as mutually agreed upon by CNA and FHCN. Accordingly, FHCN became a 40% owned associate of the Group.
- (iv) 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 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 Micro and despatched to the shareholders of Micro 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. On 17 June 2013, the Company through its adviser announced that the closing date and time of the Offer has been extended from 5.00 p.m. (Malaysian time) on Wednesday, 19 June 2013 to 5.00 p.m. (Malaysian time) on Tuesday, 9 July 2013 ("Extended Closing Date"). On 5 July 2013, the Company through its adviser announced that the closing date of the Offer has been further extended from 5.00 p.m. (Malaysian time) on Tuesday, 9 July 2013 to 5.00 p.m. (Malaysian time) on Thursday, 25 July 2013 ("2nd Extended Closing Date").

On 8 July 2013, the Company announced that the shareholders of the Company have approved the Offer at the Extraordinary General Meeting held on the even date. On 15 July 2013, the Company through its adviser announced that subsequent to the approval of the Offer by the shareholders of the Company, FHB had between 11 July 2013 and 12 July 2013 acquired additional 12,304,000 Microlink shares from the open market and off-market, representing approximately 9.21% of the issued and paid-up share capital of Micro. In view of the aforesaid acquisition of Microlink shares, the percentage shareholdings of FHB in Micro has increased from 29.20% to 38.41%, which has exceeded 33% of the issued and paid-up share capital of Micro. Pursuant to Section 9(1) of the Code on Take-Overs And Mergers 2010 ("Code"), the voluntary take-over offer has become a mandatory take-over offer and will be subject to the relevant provisions of the Code relating to Mandatory Offers.

On 23 July 2013, the Company through its adviser announced that as at 5.00 p.m. (Malaysian time) on Tuesday, 23 July 2013, the Company has received valid acceptances from the holders of the Offer resulting in the Company holding in aggregate, together with such Microlink shares that are already acquired, held or entitled to be acquired or held, more than fifty percent (50%) of the total voting shares of Microlink. Accordingly, the Offer has become unconditional as to the level of acceptances as of 23 July 2013 ("Unconditional Date").

On 6 August 2013, the Company through its adviser announced that as at 5.00 p.m. (Malaysian time) on Tuesday, 6 August 2013, the Company has received valid acceptances from holders of the Offer Shares resulting in the Company holding in aggregate, together with such Microlink Shares that are already acquired, held or entitled to be acquired or held, more than nine-tenths (i.e. more than 92.83%) in the nominal value of the voting shares of Microlink (excluding the Microlink Shares already held at the date of the Offer by FHB and its PAC). Notwithstanding the above, the Company does not intend to invoke Section 222(1) of the CMSA to compulsorily acquire any outstanding Offer Shares for which valid acceptances have not been received prior to the Closing Date.

As announced on 6 August 2013, Bursa Malaysia Securities Berhad ("Bursa Securities") will suspend the trading of Microlink Shares with effect from 9.00 a.m. (Malaysian time) on Friday, 6 September 2013. The suspension will result in Microlink Shares no longer being traded on Bursa Securities and there will no longer be an active market for trading of Microlink Shares.

In addition to the foregoing, a notice will be issued to holders of Microlink Shares who have not accepted the Offer in due course pursuant to subsection 223(2) of the CMSA setting out, amongst others, the rights of minority shareholders to require the Company to acquire the Microlink Shares on the same terms as the Offer or such other terms as may be agreed or as the High Court, on an application made to it by the minority shareholders or by the Company, think fit to order.

- (v) On 28 June 2013, the Company entered into a Term Sheet with Bancore A/S ("Bancore") for investment in Bancore for a total consideration of up to Euro Six Million (EUR6,000,000) [equivalent to RM24,921,000 based on the conversion rate of RM1 = EUR0.2408 as at 28 June 2013], as per below manner:
 - (a) Euro Three Million (EUR3,000,000) will be used to subscribe for 673,054 shares in Bancore representing 14.29% of the total existing issued and paid-up share capital of Bancore ("1st Tranche"); and
 - (b) an option subscribe for a further 673,054 shares in Bancore ("Optional 2nd Tranche") for a total consideration of Euro Three Million (EUR3,000,000) shall be granted to the Company for a period of nine months from the date of the Term Sheet.

On completion of the above, the Company will hold an aggregate of 25% equity interest in Bancore. As at the date of this announcement, the subscription of shares in Bancore has yet to be completed.

**Additional information required by Bursa Securities Listing Requirements
For the First Quarter Ended 30 June 2013**

6 Status of corporate proposals (continued)

- (vi) On 6 Aug 2013, the Company announced to undertake a Proposed Private Placement of up to 10% of the issued and paid-up share capital of the Company to third party investors to be determined later. The actual number of Placement Shares to be issued pursuant to the Proposed Private Placement will depend on the total issued and paid-up share capital of the Company on a date to be determined and announced later, after obtaining all the relevant approvals.

The additional listing application pursuant to the Proposed Private Placement has been submitted to Bursa Malaysia Securities Berhad on 15 Aug 2013.

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

7 Status of utilisation of proceeds from Rights Issue with Warrants

On 4 June 2013, the Rights Issue with Warrants has been completed with the listing of Rights Shares on the Main Market of Bursa Malaysia Securities Berhad. As at 16 Aug 2013, the status of utilisation of the proceeds raised is as follows: -

	Note	Proposed Utilisation RM'000	Actual Utilisation RM'000	Excess/ (Deficit) RM'000	Status of Utilisation
a) Repayment of borrowings	i	55,000	47,200	7,800	Within 6 months
b) Further investment in associate companies		3,705	3,705	-	Completed
c) Funding for corporate exercises		21,962	21,962	-	Completed
d) Working capitals	ii	1,475	1,713	(238)	Completed
e) Defraying of expenses in relation to the Rights Issue with Warrants	ii	1,000	762	238	Completed
Total		<u>83,142</u>	<u>75,342</u>	<u>7,800</u>	

Notes :-

- (i) The remaining RM7.8 million allocation towards the repayment of borrowings is expected to be fully utilised within 6 months of the completion date.
- (ii) The actual expenses incurred in relation to the Rights Issue with Warrants were RM0.762 million. The excess of funds allocated for estimated expenses was used for our Group's working capital requirements.

8 Borrowings and debts securities

The Group's bank borrowings as at 30 June 2013 are as follows:

	RM'000
Short term bank borrowings - secured	
- Denominated in RM	45,349
- Denominated in Thai Baht	1,663
Long term bank borrowings - secured	
- Denominated in RM	18,951
- Denominated in Thai Baht	58
Total borrowings	<u>66,021</u>

All borrowings are denominated in Ringgit Malaysia.

9 Realised and Unrealised Profits or Losses

The breakdown of (accumulated losses) / retained earnings 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:

	30.06.2013 RM'000	31.03.2013 RM'000
Total (accumulated losses) / retained earnings of the Group: -		
- Realised	71,566	84,058
- Unrealised	46	358
	<u>71,612</u>	<u>84,416</u>
Less: Consolidation adjustments	(73,331)	(73,331)
Total Group (accumulated losses) / retained earnings as per consolidated financial statements	<u>(1,719)</u>	<u>11,085</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 First Quarter Ended 30 June 2013**

10 Changes in material litigation

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

11 Dividends

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

12 Earnings / (Loss) per ordinary share

(a) Basic earnings / (loss) per ordinary share

Basic earnings / (loss) per ordinary share for the quarter under review is calculated based on the Group's profit / (loss) after tax and non-controlling interests divided by the weighted average ("WA") number of ordinary shares in issue during the quarter.

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	THREE MONTHS ENDED 30		THREE MONTHS ENDED 30	
	JUNE		JUNE	
	2013	2012	2013	2012
Profit / (Loss) after tax and non-controlling interests (RM'000)	545	(4,080)	545	(4,080)
Number of shares in issue as at beginning of the year ('000)	185,900	185,900	185,900	185,900
Effect of exercise of Right issue ('000)	60,971	-	60,971	-
WA number of ordinary shares in issue ('000)	246,871	185,900	246,871	185,900
Basic earnings / (loss) per ordinary share (sen)	0.22	(2.19)	0.22	(2.19)

(b) Fully diluted earnings / (loss) per ordinary share

Diluted earnings / (loss) per share for the quarter under review is calculated based on the Group's profit / (loss) after tax and non-controlling interests divided by the weighted average number of ordinary shares outstanding during the quarter adjusted for the effects of dilutive potential ordinary shares. The Group's dilutive potential ordinary shares are its Warrants 2013/2018 outstanding. Warrants 2011/2016 are not included in the calculation of the diluted EPS because they are anti-dilutive for the financial periods. The adjusted weighted average number of ordinary shares in issue and issuable has been arrived at based on the assumption that Warrants 2013/2018 are exercised at the beginning of the financial quarter.

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	THREE MONTHS ENDED 30		THREE MONTHS ENDED 30	
	JUNE		JUNE	
	2013	2012	2013	2012
Profit / (Loss) after tax and non-controlling interests (RM'000)	545	(4,080)	545	(4,080)
WA number of ordinary shares in issue ('000)	246,871	185,900	246,871	185,900
Effect of dilution : Warrants 2013/2018 ('000)	1,631	-	1,631	-
Adjusted weighted average number of ordinary shares applicable to diluted earnings / (loss) per share ('000)	248,502	185,900	248,502	185,900
Diluted earnings / (loss) per ordinary share (sen)	0.22	(2.19)	0.22	(2.19)

**Additional information required by Bursa Securities Listing Requirements
For the First Quarter Ended 30 June 2013**

13 Profit / (Loss) before tax

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	THREE MONTHS ENDED 30 JUNE 2013 RM'000	THREE MONTHS ENDED 30 JUNE 2012 RM'000	THREE MONTHS ENDED 30 JUNE 2013 RM'000	THREE MONTHS ENDED 30 JUNE 2012 RM'000
Profit / (Loss) before tax is arrived at after charging: -				
Amortisation of MUNIF transaction cost	-	31	-	31
Depreciation and amortisation	419	516	419	516
Impairment losses on:				
- trade receivables	49	369	49	369
Interest expenses	1,647	1,463	1,647	1,463
Loss on disposal of:				
- other investments	-	565	-	565
- property, plant and equipment	-	82	-	82
Net loss on fair value adjustment on other investments	-	3	-	3
Property, plant and equipment written off	151	48	151	48
Realised loss on foreign currency transactions	107	73	107	73
Share of results of associates	-	1,791	-	1,791
Unrealised loss on foreign currency translation	70	232	70	232
And crediting: -				
Dividend income	9	-	9	-
Gain on disposal of:				
- property, plant and equipment	2	1	2	1
Interest income	282	404	282	404
Net gain on fair value adjustment on other investments	112	-	112	-
Reversal of impairment losses on:				
- trade receivables	19	223	19	223
Realised gain on foreign currency transactions	127	253	127	253
Share of results of associates	1,998	-	1,998	-
Unrealised gain on foreign currency translation	151	480	151	480

SUMMARY OF STATUS OF MATERIAL LITIGATIONS AS AT 27 AUGUST 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	The trial commenced on 22 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 19 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 23 – 27 September 2013, have been changed. The new set of trial dates are 19, 20, 23, 24 and 26 September 2013.

SUMMARY OF STATUS OF MATERIAL LITIGATIONS AS AT 27 AUGUST 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	<p>The parties have amicably settled this matter and on 6 August 2013, ISS(M)'s solicitors have written to the arbitrator to inform him that the parties have reached an amicable settlement and that both parties jointly apply for an order for termination of the arbitration proceedings on the following terms:-</p> <ul style="list-style-type: none"> (i) both parties withdraw their respective claims and counterclaims in the arbitration, with no liberty to file afresh; (ii) both parties shall bear the fees and costs of the arbitrator as well as any costs relating to reservation of rooms for the arbitration in equal shares; and (iii) both parties shall bear their own costs relating to the arbitration. <p>The parties are now awaiting the Arbitrator's response for purposes of finalising the settlement.</p>
2	Formis Automation Sdn Bhd ("FASB") vs. Lingkaran Teknik Sdn Bhd ("LTSB")		Kuala Lumpur Regional Centre for Arbitration	<p>The committal application ("Committal Application"), which was fixed for hearing on 3 June 2013 has been re-fixed for mention on 17 September 2013 as the parties are in the midst of resolving the dispute which is the subject matter of the Committal Application.</p> <p>On 13 June 2013, LTSB served its Amended Defence and Amended Counterclaim on FASB (dated 7 June 2013) where LTSB is now claiming for an additional RM1,883,959.28 (being the purported LAD and penalty imposed by the Employer on LTSB as at 25 February 2013) and RM73,844.22 being purportedly over payment to FASB for claim 17. FASB served its Amended Reply and Amended Defence to Amended Counterclaim on 26 June 2013. In view of the extension of time sought by parties to file their respective amended pleadings, and in view of LTSB's additional claim in its Amended Defence and Amended Counterclaim, the Arbitration which was initially fixed for hearing on 9, 10, 11, 12 and 13 September 2013 is now re-fixed on 21, 22, 23 and 24 October 2013 as parties are still in the midst of complying with pre hearing directions.</p>