

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

	INDIVIDUAL QUARTER THREE MONTHS ENDED 30 SEPTEMBER		CUMULATIVE PERIOD SIX MONTHS ENDED 30 SEPTEMBER	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Revenue	88,332	75,490	157,644	149,438
Cost of sales	(62,991)	(55,941)	(117,652)	(116,084)
Gross profits	25,341	19,549	39,992	33,354
Other income	8,614	895	10,071	3,268
Other operating expenses	(26,177)	(16,489)	(41,687)	(32,159)
Finance costs	(1,368)	(1,649)	(3,081)	(3,204)
Share of results of associates, net of tax	(206)	66	1,792	(1,725)
Profit / (Loss) before tax	6,204	2,372	7,087	(466)
Tax expense	(765)	(956)	(1,585)	(2,044)
Profit / (Loss) for the financial period	5,439	1,416	5,502	(2,510)
Other comprehensive income / (loss), net of tax				
Items that may be reclassified subsequently to profit or loss:				
- Foreign currency translation differences for foreign operations	553	286	433	(238)
- Share of foreign currency translation of associates	2	(1)	(73)	7
Other comprehensive income / (loss) for the financial period, net of tax	555	285	360	(231)
Total comprehensive income / (loss) for the financial period	5,994	1,701	5,862	(2,741)
Profit / (Loss) attributable to:-				
Owners of the Parent	4,556	1,483	5,101	(2,597)
Non-controlling interests	883	(67)	401	87
Profit / (Loss) for the financial period	5,439	1,416	5,502	(2,510)
Total comprehensive income / (loss) attributable to:-				
Owners of the Parent	5,146	1,695	5,560	(2,704)
Non-controlling interests	848	6	302	(37)
Total comprehensive income / (loss) for the financial period	5,994	1,701	5,862	(2,741)
Earnings / (Loss) per ordinary share (sen)				
-Basic	1.52	0.80	1.70	(1.40)
-Diluted	1.43	0.80	1.61	(1.40)

(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 SEPTEMBER 2013

	As at 30.09.2013 RM'000	As at 31.03.2013 RM'000	As at 01.04.2012 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment	11,730	8,754	3,844
Investment in associates	25,653	34,074	19,209
Software development costs	13,822	-	1,752
Other investments	5,140	2,013	2,076
Investment property	32	32	32
Other receivables	20,976	14,142	13,056
Goodwill	84,562	63,349	104,481
Deferred tax assets	233	564	858
	<u>162,148</u>	<u>122,928</u>	<u>145,308</u>
Current Assets			
Other investments	26,244	6,384	10,754
Inventories	18,300	18,025	14,378
Trade receivables	77,668	65,648	82,630
Other receivables, deposits and prepayments	55,777	71,175	56,160
Amount owing by associates	1	414	-
Current tax assets	3,680	2,115	2,362
Cash and cash equivalents	48,333	67,578	61,262
	<u>230,003</u>	<u>231,339</u>	<u>227,546</u>
Assets of disposal groups classified as held for sale	-	-	3,500
TOTAL ASSETS	<u>392,151</u>	<u>354,267</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	36,962	25,272	286
(Accumulated losses) / Retained earnings	(13,226)	11,350	(17,152)
	<u>209,573</u>	<u>139,316</u>	<u>178,779</u>
Non-controlling interests	19,503	17,737	15,003
TOTAL EQUITY	<u>229,076</u>	<u>157,053</u>	<u>193,782</u>
Non-Current Liabilities			
Borrowings	16,758	12,691	14,223
Provision for post employment benefits	188	191	87
Deferred tax liabilities	547	236	767
	<u>17,493</u>	<u>13,118</u>	<u>15,077</u>
Current Liabilities			
Trade payables	22,601	18,019	22,649
Other payables, deposits and accruals	59,871	66,839	63,913
Amount owing to associates	469	-	-
Borrowings	62,113	98,290	76,659
Current tax payables	528	948	774
	<u>145,582</u>	<u>184,096</u>	<u>163,995</u>
Liabilities of disposal groups classified as held for sale	-	-	3,500
TOTAL LIABILITIES	<u>163,075</u>	<u>197,214</u>	<u>182,572</u>
TOTAL EQUITY AND LIABILITIES	<u>392,151</u>	<u>354,267</u>	<u>376,354</u>
Net assets per share (RM)	<u>0.60</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 SEPTEMBER 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	Equity compensation reserve RM'000	Exchange translation reserve RM'000				
Six Months Financial Period Ended 30 September 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	-	-	-	-	-	-	(620)	(620)	-	(620)
Balance as at 1 April 2013, as restated	92,950	9,744	24,663	-	-	609	11,350	139,316	17,737	157,053
Profit after tax for the financial period	-	-	-	-	-	-	5,101	5,101	401	5,502
Foreign currency translation for foreign operations	-	-	-	-	-	532	-	532	(99)	433
Share of foreign currency translation of associates	-	-	-	-	-	(159)	86	(73)	-	(73)
Total comprehensive income for the financial period	-	-	-	-	-	373	5,187	5,560	302	5,862
Transactions with owners										
Shares issued pursuant to the Rights Issue with Warrants	83,143	-	-	11,307	-	-	(11,307)	83,143	-	83,143
Effects arising from acquisition of subsidiaries	-	-	-	-	-	-	(16,329)	(16,329)	4,071	(12,258)
Share-based payment transactions	-	-	-	-	10	-	-	10	-	10
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	10	-	(29,763)	64,697	1,464	66,161
Balance as at 30 September 2013	176,093	9,744	24,663	11,307	10	982	(13,226)	209,573	19,503	229,076

	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	Equity compensation reserve RM'000	Exchange translation reserve RM'000				
Six Months Financial Year Period 30 September 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	-	-	-	-	-	-	(2,597)	(2,597)	87	(2,510)
Foreign currency translation for foreign operations	-	-	-	-	-	(114)	-	(114)	(124)	(238)
Share of foreign currency translation of associates	-	-	-	-	-	7	-	7	-	7
Total comprehensive loss for the financial period	-	-	-	-	-	(107)	(2,597)	(2,704)	(37)	(2,741)
Balance as at 30 September 2012	185,901	9,744	-	-	-	179	(19,749)	176,075	14,966	191,041

(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 SEPTEMBER 2013**

	SIX MONTHS ENDED 30 SEPTEMBER	
	2013 RM'000	2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax	7,087	(466)
Adjustment for non-cash items:		
Depreciation and amortisation	1,439	1,089
Dividend income	(9)	(7)
Equity settled share-based payment transactions	10	-
Gain on remeasurement arising on a business combination achieved in stages	(6,282)	-
Impairment losses on trade receivables	40	775
Interest expense	2,893	3,041
Interest income	(682)	(734)
Inventories written down	574	-
Net gain on fair value adjustments on other investments	(159)	(42)
Net loss on disposal of other investments	-	552
Net (gain) / loss on disposal of property, plant and equipment	(5)	109
Net unrealised loss / (gain) on foreign currency exchange	640	(16)
Property, plant and equipment written off	494	64
Reversal of impairment loss on trade receivables	(406)	(330)
Share of results of associates	(1,792)	1,725
Other non-cash items	(55)	62
	<u>3,787</u>	<u>5,822</u>
Operating profit before working capital changes		
Net changes in assets	2,631	5,992
Net changes in liabilities	(10,423)	(18,855)
	<u>(4,005)</u>	<u>(7,041)</u>
Net cash used in operations		
Tax paid	(2,892)	(2,434)
Tax refund	11	324
	<u>(6,886)</u>	<u>(9,151)</u>
Net cash used in operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of associates	(5,134)	(5,852)
Acquisition of non-controlling interest	(4,733)	-
Acquisition of subsidiary, net of cash acquired	(23,486)	-
Interest received	682	734
Dividend received	1,179	7
Withdrawal of fixed deposits pledged	10,570	(517)
Ordinary share capital contributed by non-controlling interests of a subsidiary	9	-
Proceeds from disposal of other investments	-	3,000
Proceeds from disposal of property, plant and equipment	16	252
Purchase of other investments	(5,753)	-
Purchase of property, plant and equipment	(2,102)	(256)
	<u>(28,752)</u>	<u>(2,632)</u>
Net cash used in investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of borrowings	45,824	13,697
Repayment of borrowings	(47,212)	(8,421)
Proceeds from shares issued pursuant to the Rights Issue with Warrants	83,143	-
Interest paid	(2,893)	(3,041)
	<u>78,862</u>	<u>2,235</u>
Net cash from financing activities		
Net increase / (decrease) in cash and cash equivalents	43,224	(9,548)
Cash and cash equivalents at 1 April 2013/2012*	(3,476)	35,332
Effect of foreign exchange on opening balance	(179)	(308)
	<u>39,569</u>	<u>25,476</u>
Cash and cash equivalents at 30 September 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 Second Quarter Ended 30 September 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 Second Quarter Ended 30 September 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	(620)	-
As restated	<u>34,074</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	(620)	-
As restated	<u>11,350</u>	<u>(17,152)</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 period 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 period under review.

6 Material changes in estimates

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

7 Debt and equity securities

On 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 period under review.

8 Dividends paid

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

**Notes to the Interim Financial Report
For the Second Quarter Ended 30 September 2013**

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
Six Months Financial Period Ended 30 September 2013						
External sales	70,579	78,508	8,311	246	-	157,644
Inter segment sales	5,302	3,202	10,543	1,407	(20,454)	-
Total Sales	75,881	81,710	18,854	1,653	(20,454)	157,644
Segment results	3,163	1,498	2,912	(67)	-	7,506
Share of results of associates						1,792
Interest expense						(2,893)
Interest Income						682
Profit before taxation						7,087
Segment assets	165,978	61,614	33,280	131,279	-	392,151
Six Months Financial Year Period 30 September 2012						
External sales	62,975	67,811	17,854	798	-	149,438
Inter segment sales	4,694	6,895	5,468	1,669	(18,726)	-
Total Sales	67,669	74,706	23,322	2,467	(18,726)	149,438
Segment results	1,574	3,202	2,550	(3,760)	-	3,566
Share of results of associates						(1,725)
Interest expense						(3,041)
Interest Income						734
Loss before taxation						(466)
Segment assets	104,773	62,100	35,938	159,044	-	361,855

10 Carrying amount of revalued assets

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

11 Changes in the composition of the group

(a) Subsidiaries

- (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 ("Microlink") ("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 Microlink to notify them of FHB's intention to undertake the Offer. The Group acquired Microlink 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 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. 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 Second Quarter Ended 30 September 2013

11 Changes in the composition of the group (continued)

(a) Subsidiaries (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 Microlink has increased from 29.20% to 38.41%, which has exceeded 33% of the issued and paid-up share capital of Microlink. 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. Microlink has effectively become the subsidiary of FHB on 1 August 2013 as the equity interest successfully acquired reached 51.19% on that day.

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.

As at 26 August 2013, FHB has a 97.83% shareholding in Microlink and Microlink's public shareholding spread stands at 2.12% as announced by Microlink on 15 August 2013 which is not in compliance with Rule 8.02 of the ACE Market Listing Requirement of Bursa Securities which requires Microlink to ensure that at least 25% of its total listed shares are in the hands of public shareholders ("Public Spread Requirement").

On 27 August 2013, FHB has divested 12.5 million ordinary shares of RM0.10 each in Microlink Shares at a sale consideration of RM0.55 per Microlink Share ("Divestment Price") to third party individual investors ("Investors") via direct business transactions ("1st Divestment"). The Divestment would be the first initiative undertaken by FHB to rectify the shortfall in the Public Spread Requirement of Microlink. Upon the completion of the Divestment, FHB hold an aggregate of 88.77% equity interest in Microlink.

On 4 September 2013, FHB has divested an additional 500,000 ordinary shares of RM0.10 each in Microlink Shares at a sale consideration of RM0.55 per Microlink Share ("Divestment Price") to a third party individual investor ("Investor") via direct business transaction ("2nd Divestment"). The 2nd Divestment is part of the continuing initiatives undertaken by FHB to rectify the shortfall in the Public Spread Requirement of Microlink. Upon the completion of the 2nd Divestment and until the end of the current reporting period, FHB hold an aggregate of 88.55% equity interest in Microlink.

From the end of the current reporting period to 12 November 2013, being the date of the expiry of the minority shareholders' rights to require the Company to acquire the Microlink Shares on the same terms as the Offer pursuant to subsection 223(2) of the CMSA, FHB has acquired an aggregate of additional 153,900 ordinary shares of RM0.10 each in Microlink for an aggregate cash consideration of RM92,340. This resulted in an increase in equity interest in Microlink from 88.55% as at the end of the current reporting period to 88.61% as at the date of this announcement.

**Notes to the Interim Financial Report
For the Second Quarter Ended 30 September 2013**

11 Changes in the composition of the group (continued)

(a) Subsidiaries (continued)

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

	RM'000
Property, plant and equipment	1,895
Software development costs	13,816
Goodwill	2,818
Other investments	18,304
Trade receivables	3,098
Other receivables, deposits and prepayments	1,964
Current tax assets	344
Cash and cash equivalents	8,681
Trade payables	(1,197)
Other payables, deposits & accruals	(9,236)
Deferred tax liabilities	(294)
Net identifiable assets acquired	40,193
Less : Non-controlling interests	(4,061)
Group's share of net assets	36,132
Add : Goodwill on acquisition of subsidiary	34,724
Total cost of business combination	70,856
Less : Gain on re-measurement of previously held investment at acquisition date	(8,112)
Total cost of acquisition	62,744
Less: Cost of investment previously accounted for as associated company	(12,273)
Total cost of acquisition transferred during the current financial period	50,471
Less: Cash and cash equivalents of subsidiary acquired	(26,985)
Net cash outflow on acquisition of subsidiary	23,486

- (ii) On 12 June 2013, FHB entered into a Shares Sale Agreement with Mohamed Maharoo Bin Vaheed ("Maharoo") 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 Maharoo 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.
- (iii) 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.
- (iv) On 22 July 2013, Nostalgic Properties Sdn Bhd ("NPSB"), a wholly-owned subsidiary of the Group, has entered into the following agreements:-
- 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
 - 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.

Notes to the Interim Financial Report
For the Second Quarter Ended 30 September 2013

11 Changes in the composition of the group (continued)

- (b) Associate
- (i) During the current financial period under review, Continuous Network Advisers Sdn Bhd ("CNA"), a wholly-owned subsidiary of the Company 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. 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 period under review.

12 Subsequent events

- (a) On 6 Aug 2013, the Company announced to undertake a Private Placement of up to 10% of the issued and paid-up share capital of the Company to third party investors. The additional listing application pursuant to the Private Placement has been submitted to Bursa Securities on 15 Aug 2013. Bursa Securities had vide its letter dated 26 August 2013 approved the listing of and quotation for up to 54,184,439 new ordinary shares of RM0.50 each of FRB to be issued pursuant to the Private Placement in the Main Market of Bursa Securities.

On 10 Oct 2013, the Company announced that the issue price for the first tranche of up to 28,200,000 Placement Shares is fixed at RM0.66 per Placement Share pursuant to the Private Placement. The first tranche of 28,200,000 Placement shares has been issued and paid-up on 21 October 2013 with a total proceed of RM18,612,000.

On 12 Nov 2013, the Company announced that the issue price for the second and final tranche of 7,000,000 Placement Shares is fixed at RM0.725 per Placement Share pursuant to the Private Placement. The allotment of the second and final tranche of Placement Shares has yet to be completed as at the date of this report.

- (b) On 22 Aug 2013, the Company announced to undertake the following proposals:-
- (i) share buy-back of its ordinary shares of RM0.50 each ("FRB Shares") by the Company of up to ten percent (10%) of its issued and paid-up share capital ("Share Buy-Back");
- (ii) establishment of a long-term incentive plan of up to fifteen percent (15%) of the issued and paid-up share capital of the Company for the eligible employees and Executive and Non-Executive Directors of the Company and its subsidiaries which are not dormant ("FRB Group" or "Group") ("LTIP"); and
- (iii) amendment to the Memorandum of Association of the Company to facilitate the implementation of the LTIP ("Amendment").

Bursa Securities has vide its letter dated 5 September 2013 ("Letter") resolved to approve the listing of such number of additional new FRB Shares, representing up to 15% of the issued and paid-up ordinary share capital of FRB, to be issued pursuant to the exercise of options and/or vesting of the new shares under the Employees' Share Grant Plan, pursuant to the LTIP.

On 24 September 2013, the shareholders of FRB have approved all the abovementioned proposals during the Extraordinary General Meeting ("EGM") held on that day.

The Company announced on 16 October 2013 that the effective date of implementation of the LTIP is on 16 October 2013 which is the date of full compliance with all relevant requirements of Paragraph 6.43(1) of the Main Market Listing Requirements of Bursa Securities.

- (c) On 30 October 2013, the Company announced that CNA has incorporated the following two wholly-owned subsidiary companies in the Republic of Singapore:
- (i) Formis Labs Singapore Pte. Ltd. ("Formis Labs") with issued and fully paid-up share capital of SGD100 comprising 100 ordinary shares of SGD1.00 each. Formis Labs has yet to commence business and its intended principal activities are investment holding and provision of information technology solutions and services including but not limited to hardware, software, consultancy, research, development, experimentation, data-processing, administration and marketing.
- (ii) Bancore Asia Pte. Ltd. ("Bancore Asia") with issued and fully paid-up share capital of SGD100 comprising 100 ordinary shares of SGD1.00 each. Bancore Asia has yet to commence business and its intended principal activity is to carry on the business of mobile remittance for the Asia Pacific region.
- (d) On 28 October 2013, the Company announced that CNA has subscribed to its entitlement of 800,000 ordinary shares of RM1.00 each ("Shares") and an additional 1,200,000 Shares in Yakimbi renounced by the other shareholders of Yakimbi pursuant to the renounceable two-call rights issue of 2,000,000 new ordinary shares of RM1.00 each ("Rights Shares"), on the basis of four (4) Rights Shares for every five (5) existing Shares held on 21 October 2013, at an issue price of RM1.00 per Rights Share, payable in two (2) calls, of which the first call at RM0.50 per Rights Share will be payable in cash on application and the second call of RM0.50 per Rights Share will be capitalised from Yakimbi's share premium reserve upon allotment ("Two-Call Rights Issue") ["Subscription of Two-Call Rights Issue in Yakimbi"]. The total cash consideration for the Subscription of Two-Call Rights Issue in Yakimbi is RM1,000,000 and was funded by internally generated funds.

Upon completion of the Subscription of Two-Call Rights Issue in Yakimbi, CNA holds an aggregate of 66.67% equity interest in Yakimbi and regarded Yakimbi as a subsidiary of the Group.

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

Notes to the Interim Financial Report
For the Second Quarter Ended 30 September 2013

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	8,000
- to leasing party for leasing facilities to subsidiaries	<u>4,242</u>
DGSB	
- to financial institution for facilities granted	<u>12,800</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>480</u>

14 Capital commitments

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

**Additional information required by Bursa Securities Listing Requirements
For the Second Quarter Ended 30 September 2013**

1 Detailed analysis of performance

The Group's revenue increased in the current quarter under review and current financial period by RM12.8 million and RM8.2 million respectively.

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

	INDIVIDUAL QUARTER			CUMULATIVE PERIOD		
	THREE MONTHS ENDED 30 SEPTEMBER			SIX MONTHS ENDED 30 SEPTEMBER		
	2013	2012	Variance	2013	2012	Variance
	RM'000	RM'000	%	RM'000	RM'000	%
Business Performance Services	43,985	38,347	14.7	75,881	67,669	12.1
Trading & Distribution Services	43,844	36,943	18.7	81,710	74,706	9.4
Digital & Infrastructure Services	10,568	8,081	30.8	18,854	23,322	(19.2)
Others	817	1,738	(53.0)	1,653	2,467	(33.0)
	99,214	85,109	16.6	178,098	168,164	5.9
Less : Inter Segment Revenue	(10,882)	(9,619)		(20,454)	(18,726)	
Total Group Revenue	88,332	75,490	17.0	157,644	149,438	5.5

The Business Performance Services segment recorded an increase in revenue for the current quarter and period under review by RM5.6 million and RM8.2 million respectively due to the revenue contributed from newly acquired subsidiary, Microlink Solutions Berhad ("Microlink") amounting to RM6.1 million.

The revenue of Trading and Distribution Services Segment increased by RM6.9 million in the current quarter under review. This is mainly due to the higher sales achieved for EMC and Hitachi products in one of the subsidiaries. In addition, a subsidiary which started its operations in the third quarter of the preceding financial year contributed for the increase in revenue of RM2.0 million and RM2.2 million respectively in the current quarter and period under review.

The revenue of Digital & Infrastructure Services segment increased by RM2.5 million in the current quarter. Notwithstanding the increase of revenue for the current quarter under review, the revenue in the current financial period recorded a decrease of RM4.5 million. This was mainly due to the recognition of revenue from the completion of a sizeable project amounting to RM8.1 million in the preceding financial period.

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

	INDIVIDUAL QUARTER			CUMULATIVE PERIOD		
	THREE MONTHS ENDED 30 SEPTEMBER			SIX MONTHS ENDED 30 SEPTEMBER		
	2013	2012	Variance	2013	2012	Variance
	RM'000	RM'000	%	RM'000	RM'000	%
Business Performance Services	3,012	3,892	(22.6)	2,836	1,486	90.8
Trading & Distribution Services	578	2,002	(71.1)	1,318	3,444	(61.7)
Digital & Infrastructure Services	1,596	(297)	637.4	2,950	2,499	18.0
Others	1,018	(3,225)	131.6	(17)	(7,895)	99.8
Profit / (Loss) before tax	6,204	2,372	161.6	7,087	(466)	1,620.8

The Group turnaround from a loss before tax of RM0.5 million in the corresponding period of the preceding financial year to a profit before tax of RM7.1 million in the current financial period. For the current quarter under review, the profit before tax increased by RM3.8 million. For the current quarter under review, a gain from remeasurement from the acquisition of Microlink amounting to RM6.2 million had been recognised. The costs associated with the acquisition of Microlink amounting to RM1.9 million had also been accounted for under Others segment, resulting in a profit before tax of RM6.2 million and RM7.1 million for the current quarter and financial period under review respectively.

The profit before tax of Business Performance Services Segment increased by RM1.4 mil in the financial period under review due to the contribution from the newly acquired Microlink, amounting to RM1.8 million.

Despite the increase in revenue, the profit before tax of Trading and Distribution Services segment decreased by RM2.1 million in the current financial period under review, which was mainly due to lower gross profit margin recorded. Among others, a newly acquired subsidiary, CA IT Infrastructure Solutions Sdn Bhd, wholly-owned subsidiary of Microlink has contributed losses of RM0.5mil to this segment during the quarter under review.

The Digital & Infrastructure Services segment's profit before tax recorded an increase of approximately RM1.9 million in the current quarter under review which is mainly attributable to the increase in revenue as aforementioned and improved gross profit margin.

2 Variation of results against preceding quarter

	3 months ended 30.09.2013 RM'000	3 months ended 30.06.2013 RM'000	Variance %
Revenue	88,332	69,312	27.4%
Profit before tax	6,204	883	602.6%

The Group recorded a profit before tax of RM6.2 million for the current quarter under review against a profit before tax of RM0.9 million in the immediate preceding quarter. The higher profit before tax in the current quarter under review was mainly due to the gain from remeasurement from the acquisition of Microlink amounting to RM6.2 million. In addition, Microlink has contributed a total of RM1.4 million of profit before tax to the Group during the current quarter.

**Additional information required by Bursa Securities Listing Requirements
For the Second Quarter Ended 30 September 2013**

3 Business prospects

The Board remains 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 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, which effectively turns Microlink into a subsidiary of the Group has contributed positively to the Group's financial performance during the current quarter under review and is expected to continue for the current financial year.

4 Profit forecast

Not applicable.

5 Income tax expense

	INDIVIDUAL QUARTER THREE MONTHS ENDED 30 SEPTEMBER		CUMULATIVE PERIOD SIX MONTHS ENDED 30 SEPTEMBER	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Current tax expense				
- Malaysian taxation	694	885	1,176	1,880
- Foreign taxation	1	12	63	41
	<u>695</u>	<u>897</u>	<u>1,239</u>	<u>1,921</u>
Under / (Over) provision in prior period				
- Malaysian taxation	-	10	-	10
- Foreign taxation	-	(1)	(1)	(64)
	<u>695</u>	<u>906</u>	<u>1,238</u>	<u>1,867</u>
Deferred taxation				
- origination and reversal of temporary differences				
- Malaysian taxation	70	50	347	177
	<u>765</u>	<u>956</u>	<u>1,585</u>	<u>2,044</u>

The Group's effective tax rate for the current financial quarter is lower than the statutory tax rate mainly due to the gain on remeasurement of investment which is not taxable.

6 Status of corporate proposals

- (a) 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 ("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 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 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 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 Rights Issue With Warrants has yet to be completed.

- (b) On 7 May 2013, the Company announced that FHB intends to undertake a Voluntary Conditional Take-Over Offer ("Offer") to acquire the following:
- (i) all the remaining ordinary shares of RM0.10 each in Microlink Solutions Berhad ("Microlink") ("Microlink Share") which are not already owned by FHB; and
 - (ii) 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.

**Additional information required by Bursa Securities Listing Requirements
For the Second Quarter Ended 30 September 2013**

6 Status of corporate proposals (continued)

Accordingly, a notice of the Offer dated 7 May 2013 has been served on the Board of Directors of Microlink to notify them of FHB's intention to undertake the Offer. The Group acquired Microlink 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 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. 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 Microlink 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. Microlink has effectively become the subsidiary of FHB on 1 August 2013 as the equity interest successfully acquired reached 51.19% on that day.

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.

As at 26 August 2013, FHB has a 97.83% shareholding in Microlink and Microlink's public shareholding spread stands at 2.12% as announced by Microlink on 15 August 2013 which is not in compliance with Rule 8.02 of the ACE Market Listing Requirement of Bursa Securities which requires Microlink to ensure that at least 25% of its total listed shares are in the hands of public shareholders ("Public Spread Requirement").

On 27 August 2013, FHB has divested 12.5 million ordinary shares of RM0.10 each in Microlink Shares at a sale consideration of RM0.55 per Microlink Share ("Divestment Price") to third party individual investors ("Investors") via direct business transactions ("1st Divestment"). The Divestment would be the first initiative undertaken by FHB to rectify the shortfall in the Public Spread Requirement of Microlink. Upon the completion of the Divestment, FHB hold an aggregate of 88.77% equity interest in Microlink.

Given that the Divestment is in line with initiatives to rectify the public shareholding spread, the Divestment Price of RM0.55 per Microlink share was set on 22 August 2013 when interested investors to partake in the future of Microlink were identified. While representing a 5.74% discount against the volume-weighted average market price for the five (5) market days immediately prior to 22 August 2013 of Microlink shares of RM0.5835, the Divestment Price of RM0.55 is 6.32% higher than FHB's average cost of investment in Microlink of RM0.5173 per Microlink share. The Divestment Price was subsequently agreed upon by the parties on 27 August 2013.

On 4 September 2013, FHB has divested an additional 500,000 ordinary shares of RM0.10 each in Microlink Shares at a sale consideration of RM0.55 per Microlink Share ("Divestment Price") to a third party individual investor ("Investor") via direct business transaction ("2nd Divestment"). The 2nd Divestment is part of the continuing initiatives undertaken by FHB to rectify the shortfall in the Public Spread Requirement of Microlink. Upon the completion of the 2nd Divestment and until the end of the current reporting period, FHB hold an aggregate of 88.55% equity interest in Microlink.

From the end of the current reporting period to 12 November 2013, being the date of the expiry of the minority shareholders' rights to require the Company to acquire the Microlink Shares on the same terms as the Offer pursuant to subsection 223(2) of the CMSA, FHB has acquired an aggregate of additional 153,900 ordinary shares of RM0.10 each in Microlink for an aggregate cash consideration of RM92,340. This resulted in an increase in equity interest in Microlink from 88.55% as at the end of the current reporting period to 88.61% as at the date of this announcement.

**Additional information required by Bursa Securities Listing Requirements
For the Second Quarter Ended 30 September 2013**

6 Status of corporate proposals (continued)

- (c) 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:

- (i) 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
- (ii) 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.

- (d) On 6 Aug 2013, the Company announced to undertake a Private Placement of up to 10% of the issued and paid-up share capital of the Company to third party investors. The additional listing application pursuant to the Private Placement has been submitted to Bursa Securities on 15 Aug 2013. Bursa Securities had vide its letter dated 26 August 2013 approved the listing of and quotation for up to 54,184,439 new ordinary shares of RM0.50 each of FRB to be issued pursuant to the Private Placement in the Main Market of Bursa Securities.

On 10 Oct 2013, the Company announced that the issue price for the first tranche of up to 28,200,000 Placement Shares is fixed at RM0.66 per Placement Share pursuant to the Private Placement. The first tranche of 28,200,000 Placement shares has been issued and paid-up on 21 October 2013 with a total proceed of RM18,612,000.

On 12 Nov 2013, the Company announced that the issue price for the second and final tranche of 7,000,000 Placement Shares is fixed at RM0.725 per Placement Share pursuant to the Private Placement. The allotment of the second and final tranche of Placement Shares has yet to be completed as at the date of this report.

- (e) 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.

- (f) On 22 Aug 2013, the Company announced to undertake the following proposals:-
- (i) share buy-back of its ordinary shares of RM0.50 each ("FRB Shares") by the Company of up to ten percent (10%) of its issued and paid-up share capital ("Share Buy-Back");
- (ii) establishment of a long-term incentive plan of up to fifteen percent (15%) of the issued and paid-up share capital of the Company for the eligible employees and Executive and Non-Executive Directors of the Company and its subsidiaries which are not dormant ("FRB Group" or "Group") ("LTIP"); and
- (ii) amendment to the Memorandum of Association of the Company to facilitate the implementation of the LTIP ("Amendment").

Bursa Securities has vide its letter dated 5 September 2013 ("Letter") resolved to approve the listing of such number of additional new FRB Shares, representing up to 15% of the issued and paid-up ordinary share capital of FRB, to be issued pursuant to the exercise of options and/or vesting of the new shares under the Employees' Share Grant Plan, pursuant to the LTIP.

On 24 September 2013, the shareholders of FRB have approved all the abovementioned proposals during the Extraordinary General Meeting ("EGM") held on that day.

The Company announced on 16 October 2013 that the effective date of implementation of the LTIP is on 16 October 2013 which is the date of full compliance with all relevant requirements of Paragraph 6.43(1) of the Main Market Listing Requirements of Bursa Securities.

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

**Additional information required by Bursa Securities Listing Requirements
For the Second Quarter Ended 30 September 2013**

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 20 November 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	55,000	-	Completed
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		83,142	83,142	-	

Notes :-

(i) 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 September 2013 are as follows:

	RM'000
Short term bank borrowings - secured	
- Denominated in RM	60,597
- Denominated in Thai Baht	1,516
Long term bank borrowings - secured	
- Denominated in RM	16,661
- Denominated in Thai Baht	97
Total borrowings	78,871

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:

	30.09.2013 RM'000	30.06.2013 RM'000
Total (accumulated losses) / retained earnings of the Group: -		
- Realised	67,672	71,566
- Unrealised	(265)	46
	67,407	71,612
Less: Consolidation adjustments	(80,633)	(73,331)
Total Group accumulated losses as per consolidated financial statements	(13,226)	(1,719)

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.

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.

**Additional information required by Bursa Securities Listing Requirements
For the Second Quarter Ended 30 September 2013**

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 THREE MONTHS ENDED 30 SEPTEMBER		CUMULATIVE PERIOD SIX MONTHS ENDED 30 SEPTEMBER	
	2013	2012	2013	2012
Profit / (Loss) after tax and non-controlling interests (RM'000)	4,556	1,483	5,101	(2,597)
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)	114,207	-	114,207	-
WA number of ordinary shares in issue ('000)	300,107	185,900	300,107	185,900
Basic earnings / (loss) per ordinary share (sen)	1.52	0.80	1.70	(1.40)

(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 THREE MONTHS ENDED 30 SEPTEMBER		CUMULATIVE PERIOD SIX MONTHS ENDED 30 SEPTEMBER	
	2013	2012	2013	2012
Profit / (Loss) after tax and non-controlling interests (RM'000)	4,556	1,483	5,101	(2,597)
WA number of ordinary shares in issue ('000)	300,107	185,900	300,107	185,900
Effect of dilution : Warrants 2013/2018 ('000)	17,656	-	17,656	-
Adjusted weighted average number of ordinary shares applicable to diluted earnings / (loss) per share ('000)	317,763	185,900	317,763	185,900
Diluted earnings / (loss) per ordinary share (sen)	1.43	0.80	1.61	(1.40)

13 Profit / (Loss) before tax

	INDIVIDUAL QUARTER THREE MONTHS ENDED 30 SEPTEMBER		CUMULATIVE PERIOD SIX MONTHS ENDED 30 SEPTEMBER	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Profit / (Loss) before tax is arrived at after charging: -				
Amortisation of MUNIF transaction cost	-	30	-	61
Depreciation and amortisation	1,020	573	1,439	1,089
Equity settled share-based payment transactions	10	-	10	-
Impairment losses on:				
- trade receivables	(9)	406	40	775
Interest expenses	1,246	1,578	2,893	3,041
Inventories written down	574	-	574	-
Loss on disposal of:				
- other investments	-	-	-	565
- property, plant and equipment	-	28	-	110
Property, plant and equipment written off	343	16	494	64
Realised loss on foreign currency transactions	19	74	126	147
Share of losses of associates	206	-	-	1,725
Unrealised loss on foreign currency translation	952	232	1,022	261

**Additional information required by Bursa Securities Listing Requirements
For the Second Quarter Ended 30 September 2013**

13 Profit / (Loss) before tax (continued)

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	THREE MONTHS ENDED 30		SIX MONTHS ENDED 30	
	SEPTEMBER		SEPTEMBER	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
And crediting: -				
Dividend income	-	7	9	7
Gain on disposal of :				
- property, plant and equipment	3	-	5	1
- other investments	-	13	-	13
Gain on remeasurement arising on a business combination achieved in stages	6,282	-	6,282	-
Interest income	400	330	682	734
Net gain on fair value adjustment on other investments	50	45	159	42
Reversal of impairment losses on:				
- trade receivables	387	107	406	330
Realised gain on foreign currency transactions	32	207	159	460
Share of profits of associates	-	66	1,792	-
Unrealised gain on foreign currency translation	233	-	384	277

SUMMARY OF STATUS OF MATERIAL LITIGATIONS AS AT 20 NOVEMBER 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 continued on 19 September 2013 where the cross-examination and re-examination of the Plaintiff's witness was concluded and the Plaintiff closed its case. The Judge adjourned the trial to 23 September 2013 and the trial date on 20 September 2013 was vacated. On 23 September 2013, upon being informed (through their respective counsel) that all Defendants would like to make a submission of no case to answer and have elected not to call evidence, the Judge proceeded to fix the matter for written and oral submissions in respect of the Defendants submission of no case to answer. Parties are to attend court for oral submissions on 21 November 2013. The trial dates on 24 and 26 September 2013 were vacated.