FORMIS RESOURCES BERHAD (530701-T)
Incorporated in Malaysia

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2013

	INDIVIDUAL QUARTER THREE MONTHS ENDED 31 DECEMBER		CUMULATIVE PERIOD NINE MONTHS ENDED 31 DECEMBER	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Revenue	105,425	79,527	263,069	228,965
Cost of sales	(75,174)	(61,313)	(192,826)	(177,397)
Gross profits	30,251	18,214	70,243	51,568
Other income	10,190	1,269	20,261	4,537
Other operating expenses	(27,276)	(16,337)	(68,963)	(48,496)
Finance costs	(1,390)	(1,486)	(4,471)	(4,690)
Share of results of associates, net of tax	1,230	754	3,022	(971)
Profit before tax	13,005	2,414	20,092	1,948
Tax expense	(1,371)	(1,376)	(2,956)	(3,420)
Profit / (Loss) for the financial period	11,634	1,038	17,136	(1,472)
Other comprehensive income / (loss), net of tax				
Items that may be reclassified subsequently to profit or loss:				
- Foreign currency translation differences for foreign operations	167	163	600	(75)
- Share of foreign currency translation of associates	7	(6)	(66)	1
Other comprehensive income / (loss) for the financial period, net of tax	174	157	534	(74)
Total comprehensive income / (loss) for the financial period	11,808	1,195	17,670	(1,546)
Profit / (Loss) attributable to:-				
Owners of the Parent	11,670	67	16,771	(2,530)
Non-controlling interests	(36)	971	365	1,058
Profit / (Loss) for the financial period	11,634	1,038	17,136	(1,472)
Total comprehensive income / (loss) attributable to:-				
Owners of the Parent	11,851	222	17,411	(2,482)
Non-controlling interests	(43)	973	259	936
Total comprehensive income / (loss) for the financial period	11,808	1,195	17,670	(1,546)
Earnings / (Loss) per ordinary share (sen)				
-Basic	3.59	0.04	5.16	(1.36)
-Diluted	3.43	0.04	4.93	(1.36)

(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.)

FORMIS RESOURCES BERHAD (530701-T)
Incorporated in Malaysia

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

	As at 31.12.2013 RM'000	As at 31.03.2013 RM'000	As at 01.04.2012 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment	12,300	8,754	3,844
Investment in associates	35,867	34,074	19,209
Software development costs	15,765	-	1,752
Other investments	28,923	2,013	2,076
Investment property	32	32	32
Other receivables	18,834	14,142	13,056
Goodwill	85,138	63,349	104,481
Deferred tax assets	302	564	858
	197,161	122,928	145,308
Current Assets			
Other investments	20,212	6,384	10,754
Inventories	16,532	18,025	14,378
Trade receivables	89,137	65,648	82,630
Other receivables, deposits and prepayments	58,871	71,175	56,160
Amount owing by associates	1	414	-
Current tax assets	4,555	2,115	2,362
Cash and cash equivalents	69,704	67,578	61,262
	259,012	231,339	227,546
Assets of disposal groups classified as held for sale	-	-	3,500
TOTAL ASSETS	456,173	354,267	376,354
EQUITY AND LIABILITIES			
Equity attributable to owners of the Parent			
Share capital	193,693	92,950	185,901
Share premium	15,636	9,744	9,744
Other reserves	37,204	25,272	286
(Accumulated losses) / Retained earnings	(1,593)	11,350	(17,152)
	244,940	139,316	178,779
Non-controlling interests	19,721	17,737	15,003
TOTAL EQUITY	264,661	157,053	193,782
Non-Current Liabilities			
Borrowings	15,503	12,691	14,223
Provision for post employment benefits	180	191	87
Deferred tax liabilities	1,473	236	767
	17,156	13,118	15,077
Current Liabilities			
Trade payables	36,887	18,019	22,649
Other payables, deposits and accruals	61,844	66,839	63,913
Amount owing to associates	466	-	-
Borrowings	75,032	98,290	76,659
Current tax payables	127	948	774
	174,356	184,096	163,995
Liabilities of disposal groups classified as held for sale	-	-	3,500
TOTAL LIABILITIES	191,512	197,214	182,572
TOTAL EQUITY AND LIABILITIES	456,173	354,267	376,354
Net assets per share (RM)	0.63	0.75	0.96

(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.)

FORMIS RESOURCES BERHAD (530701-T)
Incorporated in Malaysia

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2013

	<--- Attributable to owners of the Parent --->									
	<--- Non-distributable --->						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	Retained earnings / (Accumulated losses) RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Nine Months Financial Period Ended 31 December 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	-	-	-	-	-	-	16,771	16,771	365	17,136
Foreign currency translation for foreign operations	-	-	-	-	-	706	-	706	(106)	600
Share of foreign currency translation of associates	-	-	-	-	-	(151)	85	(66)	-	(66)
Total comprehensive income for the financial period	-	-	-	-	-	555	16,856	17,411	259	17,670
Transactions with owners										
Shares issued pursuant to the Rights Issue with Warrants	83,143	-	-	11,307	-	-	(11,307)	83,143	-	83,143
Shares issued pursuant to Section 132D of Companies Act,1965	17,600	5,892	-	-	-	-	-	23,492	-	23,492
Effects arising from acquisition of subsidiaries	-	-	-	-	-	-	-	-	20,016	20,016
Arising from accretion of equity interests in subsidiaries	-	-	-	-	-	-	(18,127)	(18,127)	(18,270)	(36,397)
Arising from decretion of equity interests in subsidiaries	-	-	-	-	-	-	107	107	(21)	86
Share-based payment transactions	-	-	-	-	70	-	-	70	-	70
Dividends paid to non-controlling interests of a subsidiary	-	-	-	-	-	-	(472)	(472)	-	(472)
Total transactions with owners	100,743	5,892	-	11,307	70	-	(29,799)	88,213	1,725	89,938
Balance as at 31 December 2013	193,693	15,636	24,663	11,307	70	1,164	(1,593)	244,940	19,721	264,661

FORMIS RESOURCES BERHAD (530701-T)
Incorporated in Malaysia

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2013 (continued)

	<---- Attributable to owners of the Parent ----									
	<---- Non-distributable ---->						Distributable			
Nine Months Financial Period 31 December 2012	**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**	**Retained earnings / (Accumulated losses) RM'000**	**Total RM'000**	**Non-controlling interests RM'000**	**Total equity RM'000**
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	-	-	-	-	-	-	(2,530)	(2,530)	1,058	(1,472)
Foreign currency translation for foreign operations	-	-	-	-	-	47	-	47	(122)	(75)
Share of foreign currency translation of associates	-	-	-	-	-	1	-	1	-	1
Total comprehensive profit / (loss) for the financial period	-	-	-	-	-	48	(2,530)	(2,482)	936	(1,546)
Transactions with owners										
Arising from accretion of equity interests in subsidiaries	-	-	-	-	-	-	543	543	(576)	(33)
	-	-	-	-	-	-	543	543	(576)	(33)
Balance as at 31 December 2012	185,901	9,744	-	-	-	334	(19,139)	176,840	15,363	192,203

(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.)

FORMIS RESOURCES BERHAD (530701-T)
Incorporated in Malaysia

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2013

	NINE MONTHS ENDED 31 DECEMBER	
	2013 RM'000	2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	20,092	1,948
Adjustment for non-cash items:		
Bad debts written off	105	-
Depreciation and amortisation	2,739	1,717
Dividend income	(11)	(10)
Equity settled share-based payment transactions	70	-
Net gain on remeasurement arising on business combinations achieved in stages	(4,701)	-
Impairment losses on trade receivables	320	338
Impairment losses on other receivables	-	2
Interest expense	4,215	4,438
Interest income	(1,180)	(984)
Inventories written down	773	21
Net gain on fair value adjustments on other investments	(9,403)	(107)
Net loss on disposal of other investments	-	552
Net (gain) / loss on disposal of property, plant and equipment	(9)	110
Net unrealised loss on foreign currency exchange	954	21
Property, plant and equipment written off	510	71
Reversal of impairment loss on trade receivables	(745)	(620)
Share of results of associates	(3,022)	971
Other non-cash items	(82)	93
Operating profit before working capital changes	10,625	8,561
Net changes in assets	(10,893)	5,691
Net changes in liabilities	6,541	4,265
Net cash generated from operations	6,273	18,517
Tax paid	(4,652)	(3,754)
Tax refund	97	326
Net cash from operating activities	1,718	15,089
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of associates	(16,692)	(8,617)
Acquisition of non-controlling interests	(36,396)	(33)
Acquisition of subsidiaries, net of cash acquired	7,311	-
Interest received	1,180	984
Dividend received	1,182	9
Withdrawal / (placement) of fixed deposits pledged	10,294	(12,832)
Proceeds from disposal of other investments	-	3,000
Proceeds from disposal of property, plant and equipment	20	252
Purchase of other investments	(18,721)	-
Purchase of property, plant and equipment	(2,811)	(647)
Net cash used in investing activities	(54,633)	(17,884)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of borrowings	76,274	22,788
Repayment of borrowings	(68,824)	(46,762)
Issuance of share capital to non-controlling interests of a subsidiary	85	-
Proceeds from shares issued pursuant to the Rights Issue with Warrants	83,143	-
Net proceeds from shares issued pursuant to Section 132D of Companies Act, 1965	23,492	-
Interest paid	(4,215)	(4,438)
Dividends paid to non-controlling interests of a subsidiary	(472)	-
Net cash from / (used in) financing activities	109,483	(28,412)
Net increase / (decrease) in cash and cash equivalents	56,568	(31,207)
Cash and cash equivalents at 1 April 2013/2012*	(3,476)	35,332
Effect of foreign exchange on opening balance	(40)	(300)
Cash and cash equivalents at 31 December 2013/2012*	53,052	3,825

** 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.)

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 201_{2004}, *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.

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		
Investment in associates		
As previously stated	34,694	19,209
Effects of change in accounting policy	(620)	-
As restated	34,074	19,209
Goodwill		
As previously stated	83,363	124,495
Effects of change in accounting policy	(20,014)	(20,014)
As restated	63,349	104,481
Other receivables, deposits and prepayments		
As previously stated	51,161	36,146
Effects of change in accounting policy	20,014	20,014
As restated	71,175	56,160
Retained earnings / (Accumulated losses)		
As previously stated	11,970	(17,152)
Effects of change in accounting policy	(620)	-
As restated	11,350	(17,152)

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

(a) Rights Issue with Warrants

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.

(a) Private Placement of Shares pursuant to Section 132D of Companies Act, 1965

On 22 October 2013, the Company issued the first tranche of 28,200,000 new ordinary shares of RM0.50 each at issue price of RM0.66 per ordinary share for cash with total proceeds of RM18,612,000 pursuant to the Private Placement undertook by the Company.

On 26 November 2013, the Company issued second tranche of 7,000,000 new ordinary shares of RM0.50 each at issue price of RM0.725 per ordinary share for cash with total proceeds of RM5,075,000 pursuant to the Private Placement undertook by the Company.

The total cash proceeds raised from the Private Placement 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 Private Placement corporate exercises. The new ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.

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.

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
Nine Months Financial Period Ended 31 December 2013						
External sales	122,868	126,001	13,728	472	-	263,069
Inter segment sales	15,885	5,118	12,145	7,955	(41,103)	-
Total Sales	138,753	131,119	25,873	8,427	(41,103)	263,069
Segment results	8,689	4,382	3,283	3,751	-	20,105
Share of results of associates						3,022
Interest expense						(4,215)
Interest Income						1,180
Profit before taxation						20,092
Segment assets	168,680	83,208	35,988	168,297	-	456,173
Nine Months Financial Period 31 December 2012						
External sales	104,175	104,155	20,625	10	-	228,965
Inter segment sales	7,756	11,940	16,158	2,187	(38,041)	-
Total Sales	111,931	116,095	36,783	2,197	(38,041)	228,965
Segment results	1,875	3,509	6,840	(5,851)	-	6,373
Share of results of associates						(971)
Interest expense						(4,438)
Interest Income						984
Profit before taxation						1,948
Segment assets	127,691	61,687	32,725	165,709	-	387,812

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:

(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 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”).

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 2.17% 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 88.54% equity interest in Microlink.

From the date of 2nd Divestment to 18 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 351,800 ordinary shares of RM0.10 each in Microlink for an aggregate cash consideration of RM211,080. This resulted in an increase in equity interest in Microlink from 88.40% to 88.54% as at the end of the current reporting period.

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 on 1 August 2013 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	(19,304)
Group's share of net assets	20,889
Add : Goodwill on acquisition of subsidiary	18,396
Total cost of business combination	39,285
Less : Gain on re-measurement of previously held investment at acquisition date	(8,112)
Total cost of acquisition	31,173
Less: Cost of investment previously accounted for as associated company	(12,273)
Total cost of acquisition transfered during the current financial period	18,900
Less: Cash and cash equivalents of subsidiary acquired	(26,985)
Net cash inflow on acquisition of subsidiary	(8,085)

(ii) 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.

(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:-

(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.

PDAC Formis Sdn Bhd has alloted 1,000,000 ordinary shares of BND1.00 each on 22 July 2013 of which all shares are fully paid.

Accordingly, PDAC Formis Sdn Bhd became a 70% owned subsidiary of the Group on the even date.

11 Changes in the composition of the group (continued)

(v) During the previous financial quarter 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 the third and fourth tranche of the Subscription Shares by CNA in its existing associate, Yakimbi Sdn Bhd ("Yakimbi"). Hence, the Group's equity interest in Yakimbi increased from 30.72% to 40%.

Subsequently on 28 October 2013, 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, paid in two (2) calls, of which the first call at RM0.50 per Rights Share was fully paid in cash on application and the second call of RM0.50 per Rights Share was 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.

Accordingly, CNA holds an aggregate of 66.67% equity interest in Yakimbi and regarded Yakimbi as a subsidiary of the Group on the even date.

The fair value of the assets acquired and the liabilities assumed from the acquisition of Yakimbi on 28 October 2013 are as follows:-

	RM'000
Property, plant and equipment	212
Software development costs	1,922
Trade receivables	3
Other receivables, deposits and prepayments	101
Current tax assets	11
Cash and cash equivalents	226
Trade payables	(34)
Other payables, deposits & accruals	(305)
Net identifiable assets acquired	2,136
Less : Non-controlling interests	(712)
Group's share of net assets	1,424
Add : Goodwill on acquisition of subsidiary	576
Total cost of business combination	2,000
Add : Loss on re-measurement of previously held investment at acquisition date	2,000
Total cost of acquisition	4,000
Less: Cost of investment previously accounted for as associated company	(3,000)
Total cost of acquisition transfered during the current financial period	1,000
Less: Cash and cash equivalents of subsidiary acquired	(226)
Net cash outflow on acquisition of subsidiary	774

(vi) On 30 October 2013, CNA incorporated Formis Labs Singapore Pte. Ltd. ("Formis Labs"), a wholly-owned subsidiary company in the Republic of Singapore 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.

(vii) On 30 October 2013, CNA incorporated Bancore Asia Pte. Ltd. ("Bancore Asia"), a wholly-owned subsidiary company in the Republic of Singapore with issued and fully paid-up share capital of SGD100 comprising 100 ordinary shares of SGD1.00 each. Bancore Asia has commenced its business with principal activity to carry on the business of mobile remittance for the Asia Pacific region.

On 12 December 2013, Bancore Asia has increased its share capital to SGD300 comprising 300 ordinary shares of SGD1.00 each which has been fully subscribed and paid by CNA on the even date. Subsequently, CNA divested 100 ordinary shares of SGD1.00 each in Bancore Asia to Bancore A/S, a company incorporated in Copenhagen, Denmark, for a total cash consideration of SDG1.00 on 12 December 2013.

Accordingly, Bancore Asia has been diluted from a wholly-owned to 66.67% owned subsidiary of CNA.

(viii) On 18 December 2013, Com-Line Systems Sdn Bhd, the holding company of Chelsea Apps Factory Bangsar Sdn Bhd (formerly known as Prism Portal Asia Sdn Bhd) ("CAFB") has transferred its entire equity interest of eight (8) and two (2) ordinary shares of RM1.00 each in CAFB to Continuous Network Advisers Sdn Bhd (“CNA”), a wholly-owned subsidiary of FRB and Chelsea Apps Factory Ltd. ("CAF") for a total cash consideration of RM8.00 and RM2.00 respectively.

Accordingly, CAFB is now a 80% owned subsidiary of CNA.

11 Changes in the composition of the group (continued)

(b) Associate

(i) 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.

(ii) On 31 December 2013, FHB had subscribed for a total of 23,115,000 irredeemable convertible preference shares of RM0.01 each ("ICPS") together with 11,557,500 free warrant in its existing associate, Ho Hup Construction Company Berhad ("Ho Hup"), for a total cash consideration of RM11,557,500.00. FHB's equity interest in Ho Hup remained unchanged in view of all the ICPS owned by FHB have not been converted to ordinary shares as at the end of the reporting period.

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) Pursuant to the Call Option Agreement dated 17 January 2013 entered into between FHCN and CNA, CNA has on 6 January 2014 exercised the Call Option A of 400,000 Call Option Shares at the Call Option A Price of RM5.00 each granted to CNA for a total cash consideration of RM2,000,000.00 only payable to FHCN in four equal quarterly sum of RM500,000.00 each, as follows:-

Tranche	Payment Date
1st	06 January 2014
2nd	02 April 2014
3rd	02 July 2014
4th	02 October 2014

Upon completion of the above option, the equity interest of CNA in FHCN will increase from 40% to 52.63%.

(b) On 10 February 2014, Formis Computer Services Sdn Bhd ("FCS"), a wholly-owned subsidiary of FHB, has divested 980,000 ordinary shares of RM1.00 each, representing 49% of the total issued and paid-up share capital, of Formis Network Services Sdn Bhd ("FNS"), a wholly-owned subsidiary of FCS, to Anaho Foundation ("Anaho") for a total cash consideration of RM1.00 only ("Divestment"). The Divestment form part of the group's corporate social responsibility initiatives.

As such, FCS's equity interest in FNS has been diluted from 100% to 51%.

(c) FHB had further acquired a total of 4,246,000 redeemable convertible preference shares of RM0.01 each ("RCPS") in Ho Hup in the open market during the period from 2 January 2014 to 9 January 2014 for a total cash consideration of RM4,708,874.40 ("Acquisitions"). On 27 January 2014, FHB converted all 4,246,000 RCPS in Ho Hup to ordinary shares of RM1.00 each.

As at the date of this announcement, FHB's equity interest in Ho Hup has been diluted from 22.66% to 15.2% resulting from the conversion of Ho Hup's ICPS and RCPS to ordinary shares of Ho Hup by the other ICPS and RCPS's holders of Ho Hup. However, FHB still regards Ho Hup as its associate as FHB still has a significant influence on Ho Hup with the representative in the Board of Directors of Ho Hup. Besides, FHB is also holding 23,115,000 of ICPS and 11,557,500 of warrant in Ho Hup, which have the potential, if exercised or converted to ordinary shares will give FHB the additional voting power over Ho Hup .

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.

13 Changes in contingent liabilities or contingent assets

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

	RM'000
FRB	
- to financial institution for facilities granted	3,000

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

FRB	
- to financial institution for facilities granted	844

14 Capital commitments

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

Additional information required by Bursa Securities Listing Requirements
For the Third Quarter Ended 31 December 2013

1 Detailed analysis of performance

The Group's revenue increased in the current quarter and period under review by RM25.90 million and RM34.10 million respectively.

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

	INDIVIDUAL QUARTER			CUMULATIVE PERIOD		
	THREE MONTHS ENDED 31 DECEMBER			NINE MONTHS ENDED 31 DECEMBER		
	2013	2012	Variance	2013	2012	Variance
	RM'000	RM'000	%	RM'000	RM'000	%
Business Performance Services	58,679	44,262	32.6	138,753	111,931	24.0
Trading & Distribution Services	49,409	41,389	19.4	131,119	116,095	12.9
Digital & Infrastructure Services	7,019	13,461	(47.9)	25,873	36,783	(29.7)
Others	5,602	(270)	2,174.8	8,427	2,197	283.6
	120,709	98,842	22.1	304,172	267,006	13.9
Less : Inter Segment Revenue	(15,284)	(19,315)		(41,103)	(38,041)	
Total Group Revenue	105,425	79,527	32.6	263,069	228,965	14.9

The Business Performance Services segment recorded an increase in revenue for the current quarter and period under review by RM14.42 million and RM26.82 million respectively due to the revenue contributed from newly acquired subsidiary, Microlink Solutions Berhad ("Microlink") amounting to RM14.21 million and RM24.51 million respectively.

The revenue of Trading and Distribution Services Segment increased by RM8.02 million in the current quarter under review and RM15.02 million in the period 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 RM2.32 million and RM4.49 million respectively in the current quarter and period under review.

Compared against the preceding financial year, the revenue of Digital & Infrastructure Services segments decreased by RM6.44 million in the current quarter and RM10.91 million in the current financial period. The decrease in revenue was mainly due to sizeable sales to a technology driven solution provider and a telco service provider recorded in the preceding financial period.

During the quarter under review, the Group launched a new business operating under the Digital & Infrastructure Services segment. Its principal activity is to provide and maintain all types of telecommunication networks, systems and services. The revenue contributed by this subsidiary is minimal during the current quarter under review but is expected to contribute positively to the Group in future.

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

	INDIVIDUAL QUARTER			CUMULATIVE PERIOD		
	THREE MONTHS ENDED 31 DECEMBER			NINE MONTHS ENDED 31 DECEMBER		
	2013	2012	Variance	2013	2012	Variance
	RM'000	RM'000	%	RM'000	RM'000	%
Business Performance Services	5,485	271	1,924.0	8,321	1,757	373.6
Trading & Distribution Services	2,902	335	766.3	4,220	3,779	11.7
Digital & Infrastructure Services	358	4,222	(91.5)	3,308	6,721	(50.8)
Others	4,260	(2,414)	276.5	4,243	(10,309)	141.2
Profit before tax	13,005	2,414	438.7	20,092	1,948	931.4

The Group recorded an increase in the profit before tax for the current quarter under review by RM10.59 million as compared to the corresponding quarter of the preceding year which is mainly due to the overall improvement in performance of the business segments and the recognition of net gain on fair value adjustments on other investments of RM9.24 million under Others segment.

For the period under review, the profit before tax of the Group increased significantly by RM18.14 million as compared to the preceding year. This is due to the recognition of net gain on fair value adjustments on other investments of RM9.40 million, net gain from remeasurement from the acquisition of subsidiaries amounting to RM4.70 million and share of profits from associates of RM3.02 million during the current financial period under Others segment . The costs associated with the acquisition of subsidiaries amounting to RM1.90 million had also been accounted for in the current financial period.

The profit before tax of Business Performance Services Segment increased by RM5.21 million and RM6.56 million in the current quarter and period under review respectively. This is due to the contribution from the newly acquired Microlink, amounting to RM5.28 million and RM6.85 million respectively.

The profit before tax of Trading and Distribution Services segment increased by RM2.57 million and RM0.44 million in the current quarter and period under review respectively, which was mainly due to higher revenue recorded.

The Digital & Infrastructure Services segment's profit before tax recorded a decrease of approximately RM3.86 million and RM3.41 million in the current quarter and period under review which was mainly due to lower billing secured.

2 Variation of results against preceding quarter

	3 months ended 31.12.2013 RM'000	3 months ended 30.09.2013 RM'000	Variance %
Revenue	105,425	88,332	19.4
Profit before tax	13,005	6,204	109.6

The Group recorded a profit before tax of RM13.01 million for the current quarter under review compared to RM6.20 million in the immediate preceding quarter. The increase was mainly due to the net gain on fair value adjustments on other investments of RM9.24 million. During the current quarter under review, the Group also recognised a loss from remeasurement from the acquisition of new subsidiary, Yakimbi Sdn Bhd ("Yakimbi") amounting to RM1.58 million.

3 Business prospects

The Board remains optimistic of the Group's financial performance for the remaining quarter of the financial year.

New products and services have been launched during the current quarter under the Group's Digital & Infrastructure Services segment 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 and period under review and is expected to continue for the remaining quarter of the financial year.

4 Profit forecast

Not applicable.

5 Income tax expense

	INDIVIDUAL QUARTER THREE MONTHS ENDED 31 DECEMBER		CUMULATIVE PERIOD NINE MONTHS ENDED 31 DECEMBER	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Current tax expense				
- Malaysian taxation	634	1,236	1,810	3,116
- Foreign taxation	5	6	68	47
	639	1,242	1,878	3,163
(Over) / Under provision in prior period				
- Malaysian taxation	(239)	(86)	(239)	(76)
- Foreign taxation	116	-	115	(64)
	516	1,156	1,754	3,023
Deferred taxation				
- origination and reversal of temporary differences				
- Malaysian taxation	855	220	1,202	397
	1,371	1,376	2,956	3,420

The Group's effective tax rate for the current financial quarter and period under review is lower than the statutory tax rate as there are non-taxable other income recognised during the current quarter and period under review.

6 Status of corporate proposals

(a) 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.

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 88.54% equity interest in Microlink.

From the date of 2nd Divestment to 18 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 351,800 ordinary shares of RM0.10 each in Microlink for an aggregate cash consideration of RM211,080. This resulted in an increase in equity interest in Microlink from 88.40% to 88.54% as at the end of the current reporting period.

6 Status of corporate proposals (continued)

(b) 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 pursuant to Section 132D of Companies Act, 1965. 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 22 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 been issued and paid-up on 26 November 2013 with a total proceed of RM5,075,000.

(c) 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.

On 18 December 2013, Com-Line Systems Sdn Bhd, the holding company of CAFB, has transferred its entire equity interest of eight (8) and two (2) ordinary shares of RM1.00 each in CAFB to Continuous Network Advisers Sdn Bhd (“CNA”), a wholly-owned subsidiary of FRB and CAF for a total cash consideration of RM8.00 and RM2.00 respectively.

Accordingly, CAFB is now a 80% owned subsidiary of CNA which in turn a 80% owned subsidiary of FRB.

(d) 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.

On 6 January 2014, the Company has made the first offer of 10,802,800 new ordinary shares of RM0.50 each of FRB ("Options") under the Employee Share Option Scheme ("ESOS") which entails the granting of ESOS Options to the eligible employees and directors of the Company to subscribe for new Shares up to a maximum of 10% of the issued and paid up share capital at any point in time during during the 3 years vesting period of the ESOS ("ESOS Period") commencing from 6 January 2014 to 5 January 2017 in accordance to the terms of the ESOS' By-Laws, pursuant to the LTIP ("First Offer") to the eligible employees and directors of the Company.

(e) During the previous financial quarter 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 the third and fourth tranche of the Subscription Shares by CNA in its existing associate, Yakimbi Sdn Bhd ("Yakimbi"). Hence, the Group's equity interest in Yakimbi increased from 30.72% to 40%.

Subsequently on 28 October 2013, 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, paid in two (2) calls, of which the first call at RM0.50 per Rights Share was fully paid in cash on application and the second call of RM0.50 per Rights Share was 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.

Accordingly, CNA holds an aggregate of 66.67% equity interest in Yakimbi and regarded Yakimbi as a subsidiary of the Group on the even date.

6 Status of corporate proposals (continued)

(f) On 22 November 2013, the Company announced that the Company has on 21 November 2013 entered into the following agreements:-

(i) an Investment Agreement with Bancore A/S ("Bancore"), Brian Larsen ("BL") and Jorgen Larsen ("JL") for the following:

(a) to subscribe for 501,253 new ordinary shares of par value Danish Krone ("DKK") 1.00 each ("Shares") in the capital of Bancore ("Subscription Shares") for a total cash consideration of EUR2,000,000 [equivalent to approximately RM8,649,600] ("Shares Subscription Price");

(b) to subscribe for 250,627 new Irredeemable Convertible Preference Shares of par value DKK1.00 each ("ICPS") in the capital of Bancore ("Subscription ICPS") for a total cash consideration of EUR1,000,000 [equivalent to approximately RM4,324,800]; and

(c) to subscribe for 627,005 warrants ("Warrants") in the capital of Bancore ("Subscription Warrants") at no cost wherein the Subscription Warrants carry a right to subscribe for 627,005 new ICPS of par value DKK1.00 each for a total cash consideration of EUR2,500,000 [equivalent to approximately RM10,812,000] ("Warrants Exercise Price"),

The Subscription Shares represents a 10.81% equity interest in Bancore.

(ii) a Shareholders' Agreement with BL, JL, Beatrice Larsen and Jorgen A. Hedegreen to regulate their relationships as shareholders of Bancore and to record certain commitments to each other and in their collective dealings with the management of Bancore ("Shareholders' Agreement").

The abovementioned subscription of shares in Bancore has been completed on 2 December 2013.

Pursuant to the Investment Agreement, FRB has on 30 January 2014 exercised its first tranche right on 125,401 Subscription Warrants which carry a right to subscribe for 125,401 ICPS in Bancore for a total exercise price of EUR 500,000 [equivalent to approximately RM2,279,100 based on the currency exchange rate as at 5.00 p.m. on 29 January 2014] only which shall be payable by FRB within 16 days from 30 January 2014.

Upon completion of the exercise of the first tranche right of the Subscription Warrants, FRB's shareholdings in Bancore shall be as follows:-

Type of Securities	Number of Securities	Percentage (%) of Securities
Shares	863,804	18.62
ICPS	376,028	100.00
Warrants	501,604	49.50

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 private placement of shares pursuant to Section 132D of the Companies Act, 1965

On 22 October 2013 and 26 November 2013, the private placement of shares pursuant to Section 132D of the Companies Act, 1965, with a total proceed of RM23,687,000 has been completed with the listing of 35,200,000 new ordinary shares of RM0.50 each on the Main Market of Bursa Malaysia Securities Berhad. As at 26 February 2014, 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	12,650	12,650	-	Completed
b)	Working capitals		10,737	10,842	(105)	Completed
c)	Defraying of expenses in relation to the Private Placement		300	195	105	Completed
	Total		23,687	23,687	-	

Notes : -

(i) The actual expenses incurred in relation to the private placement of shares were RM0.195 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 31 December 2013 are as follows:

	RM'000
Short term bank borrowings - secured	
- Denominated in RM	73,377
- Denominated in Thai Baht	1,655
Long term bank borrowings - secured	
- Denominated in RM	15,397
- Denominated in Thai Baht	106
Total borrowings	90,535

All borrowings are denominated in Ringgit Malaysia.

9 Realised and Unrealised Profits or Losses

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

	31.12.2013 RM'000	30.09.2013 RM'000
Total accumulated losses of the Group: -		
- Realised	64,308	67,672
- Unrealised	6,276	(265)
	70,584	67,407
Less: Consolidation adjustments	(72,177)	(80,633)
Total Group accumulated losses as per consolidated financial statements	(1,593)	(13,226)

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 compliance with 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 quater under review.

12 Earnings / (Loss) per ordinary share

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

Basic earnings / (loss) per ordinary share for the quarter and period 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 and period.

	INDIVIDUAL QUARTER THREE MONTHS ENDED 31 DECEMBER		CUMULATIVE PERIOD NINE MONTHS ENDED 31 DECEMBER	
	2013	2012	2013	2012
Profit / (Loss) after tax and non-controlling interests (RM'000)	11,670	67	16,771	(2,530)
Number of shares in issue as at beginning of the year ('000)	185,900	185,900	185,900	185,900
Effect of issuance of Rights Shares ('000)	131,693	-	131,693	-
Effect of Private Placement of Shares ('000)	7,294	-	7,294	-
WA number of ordinary shares in issue ('000)	324,887	185,900	324,887	185,900
Basic earnings / (loss) per ordinary share (sen)	3.59	0.04	5.16	(1.36)

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

Diluted earnings / (loss) per share for the quarter and period 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 and period 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 period/quarter.

	INDIVIDUAL QUARTER THREE MONTHS ENDED 31 DECEMBER		CUMULATIVE PERIOD NINE MONTHS ENDED 31 DECEMBER	
	2013	2012	2013	2012
Profit / (Loss) after tax and non-controlling interests (RM'000)	11,670	67	16,771	(2,530)
WA number of ordinary shares in issue ('000)	324,887	185,900	324,887	185,900
Effect of dilution : Warrants 2013/2018 ('000)	15,258	-	15,258	-
Adjusted weighted average number of ordinary shares applicable to	340,145	185,900	340,145	185,900
Diluted earnings / (loss) per ordinary share (sen)	3.43	0.04	4.93	(1.36)

13 Profit before tax

	INDIVIDUAL QUARTER THREE MONTHS ENDED 31 DECEMBER		CUMULATIVE PERIOD NINE MONTHS ENDED 31 DECEMBER	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Profit before tax is arrived at after charging: -				
Amortisation of MUNIF transaction cost	-	32	-	93
Bad debts written off	105	-	105	-
Depreciation and amortisation	1,300	628	2,739	1,717
Equity settled share-based payment transactions	60	-	70	-
Impairment losses on:				
- trade receivables	280	-	320	338
- other receivables	-	2	-	2
Interest expenses	1,322	1,397	4,215	4,438
Inventories written down	199	21	773	21
Loss on disposal of:				
- other investments	-	-	-	565
- property, plant and equipment	-	-	-	110
Loss on remeasurement arising on a business combination	1,581	-	-	-
Property, plant and equipment written off	16	7	510	71
Realised loss on foreign currency transactions	87	27	212	174
Share of losses of associates	-	-	-	971
Unrealised loss on foreign currency translation	-	38	103	297

	INDIVIDUAL QUARTER THREE MONTHS ENDED 31 DECEMBER		CUMULATIVE PERIOD NINE MONTHS ENDED 31 DECEMBER	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
And crediting: -				
Bad debts recovered	153	39	153	39
Dividend income	2	3	11	10
Gain on disposal of :				
- property, plant and equipment	4	-	9	1
- other investments	-	-	-	13
Gain on remeasurement arising on a business combination	-	-	4,701	-
Interest income	498	250	1,180	984
Net gain on fair value adjustment on other investments	9,244	65	9,403	107
Reversal of impairment losses on:				
- trade receivables	339	727	745	620
Realised gain on foreign currency transactions	-	189	158	649
Share of results of associates	-	-	-	-
Share of profits of associates	1,230	754	3,022	-
Unrealised gain on foreign currency translation	1,592	-	1,057	275

FORMIS RESOURCES BERHAD (530701-T)

SUMMARY OF STATUS OF MATERIAL LITIGATIONS AS AT 26 FEBRUARY 2014

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 hearing of oral submissions has been fixed on 21 March 2014.