FORMIS RESOURCES BERHAD (530701-T)
Incorporated in Malaysia

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

	INDIVIDUAL QUARTER THREE MONTHS ENDED 31 MARCH		CUMULATIVE PERIOD TWELVE MONTHS ENDED 31 MARCH	
	2014 RM'000 Unaudited	2013 RM'000 Unaudited	2014 RM'000 Unaudited	2013 RM'000 Audited (Restated)
Revenue	88,529	109,668	351,598	338,633
Cost of sales	(57,340)	(85,423)	(250,166)	(262,820)
Gross profits	31,189	24,245	101,432	75,813
Other income	21,488	7,817	41,749	12,354
Other operating expenses	(34,998)	(64,378)	(103,961)	(112,874)
Finance costs	(2,111)	(2,218)	(6,582)	(6,908)
Share of results of associates, net of tax	508	407	3,530	(564)
Profit / (Loss) before tax	16,076	(34,127)	36,168	(32,179)
Tax expense	(966)	(1,237)	(3,922)	(4,657)
Profit / (Loss) for the financial quarter / year	15,110	(35,364)	32,246	(36,836)
Other comprehensive (loss) / income, net of tax				
Items that may be reclassified subsequently to profit or loss:				
- Foreign currency translation differences for foreign operations	(559)	389	41	314
- Share of foreign currency translation of associates	(1,105)	24	(1,171)	25
Other comprehensive (loss) / income for the financial quarter / year, net of tax	(1,664)	413	(1,130)	339
Total comprehensive income / (loss) for the financial quarter / year	13,446	(34,951)	31,116	(36,497)
Profit / (Loss) attributable to:-				
Owners of the Parent	14,120	(37,625)	30,891	(40,155)
Non-controlling interests	990	2,261	1,355	3,319
Profit / (Loss) for the financial quarter / year	15,110	(35,364)	32,246	(36,836)
Total comprehensive income / (loss) attributable to:-				
Owners of the Parent	12,549	(37,351)	29,960	(39,833)
Non-controlling interests	897	2,400	1,156	3,336
Total comprehensive income / (loss) for the financial quarter / year	13,446	(34,951)	31,116	(36,497)
Earnings / (Loss) per ordinary share (sen)				
-Basic	4.14	(20.24)	9.06	(21.60)
-Diluted	3.85	(20.24)	8.42	(21.60)

(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 MARCH 2014

	As at 31.03.2014 RM'000 Unaudited	As at 31.03.2013 RM'000 Audited (Restated)	As at 01.04.2012 RM'000 Audited (Restated)
ASSETS			
Non-Current Assets			
Property, plant and equipment	18,750	8,754	3,844
Investment in associates	64,597	34,074	19,209
Software development costs	16,100	-	1,752
Other investments	18,805	2,013	2,076
Investment property	32	32	32
Other receivables	17,373	14,142	13,056
Goodwill	86,441	63,349	104,481
Deferred tax assets	339	564	858
	222,437	122,928	145,308
Current Assets			
Other investments	16,618	6,384	10,754
Inventories	26,754	18,025	14,378
Trade receivables	79,395	65,648	82,630
Other receivables, deposits and prepayments	62,785	71,175	56,160
Amount owing by associates	-	414	-
Current tax assets	3,981	2,115	2,362
Cash and cash equivalents	66,891	67,578	61,262
	256,424	231,339	227,546
Assets of disposal groups classified as held for sale	-	-	3,500
TOTAL ASSETS	478,861	354,267	376,354
EQUITY AND LIABILITIES			
Equity attributable to owners of the Parent			
Share capital	193,693	92,950	185,901
Share premium	15,574	9,744	9,744
Other reserves	38,657	25,272	286
Retained earnings / (Accumulated losses)	6,749	11,350	(17,152)
	254,673	139,316	178,779
Non-controlling interests	23,173	17,737	15,003
TOTAL EQUITY	277,846	157,053	193,782
Non-Current Liabilities			
Borrowings	14,560	12,691	14,223
Provision for post employment benefits	1,171	191	87
Deferred tax liabilities	822	236	767
	16,553	13,118	15,077
Current Liabilities			
Trade payables	33,128	18,019	22,649
Other payables, deposits and accruals	74,117	66,839	63,913
Borrowings	77,184	98,290	76,659
Current tax payables	33	948	774
	184,462	184,096	163,995
Liabilities of disposal groups classified as held for sale	-	-	3,500
TOTAL LIABILITIES	201,015	197,214	182,572
TOTAL EQUITY AND LIABILITIES	478,861	354,267	376,354
Net assets per share (RM)	0.66	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 YEAR ENDED 31 MARCH 2014

	<---- Attributable to owners of the Parent ----									
	<---- Non-distributable ----						Distributable			
Unaudited **Twelve Months Financial Year Ended 31 March 2014**	**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 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	-	-	-	-	-	-	30,891	30,891	1,355	32,246
Foreign currency translation for foreign operations	-	-	-	-	-	240	-	240	(199)	41
Share of foreign currency translation of associates	-	-	-	-	-	(1,171)	-	(1,171)	-	(1,171)
Total comprehensive income for the financial period	-	-	-	-	-	(931)	30,891	29,960	1,156	31,116
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	5,830	-	-	-	-	-	23,430	-	23,430
Effects arising from acquisition of subsidiaries	-	-	-	-	-	-	-	-	21,817	21,817
Arising from accretion of equity interests in subsidiaries	-	-	-	-	-	-	(18,136)	(18,136)	(18,260)	(36,396)
Arising from decretion of equity interests in subsidiaries	-	-	-	-	-	-	(649)	(649)	723	74
Share-based payment transactions	-	-	-	-	3,009	-	-	3,009	-	3,009
Dividends paid to non-controlling interests of a subsidiary	-	-	-	-	-	-	(947)	(947)	-	(947)
Share of other changes in equity of associates	-	-	-	-	-	-	(4,453)	(4,453)	-	(4,453)
Total transactions with owners	100,743	5,830	-	11,307	3,009	-	(35,492)	85,397	4,280	89,677
Balance as at 31 March 2014	193,693	15,574	24,663	11,307	3,009	(322)	6,749	254,673	23,173	277,846

FORMIS RESOURCES BERHAD (530701-T)
Incorporated in Malaysia

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014 (continued)

	<---- Attributable to owners of the Parent							---->		
	<---- Non-distributable					---->	Distributable			
Audited (Restated) **Twelve Months Financial Year 31 March 2013**	**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	-	-	-	-	-	-	(40,155)	(40,155)	3,319	(36,836)
Foreign currency translation for foreign operations	-	-	-	-	-	298	-	298	16	314
Share of foreign currency translation of associates	-	-	-	-	-	25	-	25	-	25
Total comprehensive profit / (loss) for the financial period	-	-	-	-	-	323	(40,155)	(39,832)	3,335	(36,497)
Transactions with owners										
Capital reduction exercise	(92,951)	-	24,663	-	-	-	68,288	-	-	-
Additional non-controlling interests arising on a business combination	-	-	-	-	-	-	-	-	84	84
Arising from accretion of equity interests in subsidiaries	-	-	-	-	-	-	369	369	(685)	(316)
	(92,951)	-	24,663	-	-	-	68,657	369	(601)	(232)
Balance as at 31 March 2013	92,950	9,744	24,663	-	-	609	11,350	139,316	17,737	157,053

(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 YEAR ENDED 31 MARCH 2014

	TWELVE MONTHS ENDED 31 MARCH	
	2014 RM'000 Unaudited	2013 RM'000 Audited
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax	36,168	(32,179)
Adjustment for non-cash items:		
Bad debts written off	105	250
Depreciation and amortisation	4,360	2,798
Dividend income	(1,304)	(90)
Equity settled share-based payment transactions	3,009	-
Gain on decreation of equity interest in associates	(13,432)	-
Net gain on remeasurement arising on business combinations achieved in stages	(4,163)	(366)
Impairment losses on goodwill	650	42,286
Impairment losses on trade receivables	598	1,058
Impairment losses on other receivables	-	2
Interest expense	6,112	6,463
Interest income	(1,536)	(1,385)
Inventories written down	40	35
Inventories written off	1,218	492
Net gain on fair value adjustments on other investments	(13,978)	(83)
Net loss on disposal of other investments	-	485
Net (gain) / loss on disposal of property, plant and equipment	(14)	106
Net unrealised loss on foreign currency exchange	834	291
Property, plant and equipment written off	535	172
Provision for post-employment benefits	1,003	94
Reversal of impairment loss on property, plant and equipment	(109)	(765)
Reversal of impairment loss on trade receivables	(861)	(1,336)
Share of results of associates	(3,530)	564
Software development costs written off	-	1,151
Other non-cash items	(154)	(265)
Operating profit before working capital changes	15,551	19,778
Net changes in assets	(11,738)	(2,566)
Net changes in liabilities	10,338	(2,487)
Net cash generated from operations	14,151	14,725
Tax paid	(6,777)	(5,121)
Tax refund	1,058	649
Net cash from operating activities	8,432	10,253
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of associates	(40,579)	(15,528)
Acquisition of non-controlling interests	(36,396)	(315)
Acquisition of subsidiaries, net of cash acquired	(11,904)	(1,096)
Interest received	1,536	1,385
Dividend received	2,475	479
Withdrawal / (placement) of fixed deposits pledged	10,215	(13,373)
Proceeds from disposal of other investments	9,352	4,032
Proceeds from disposal of property, plant and equipment	54	256
Purchase of other investments	(4,097)	-
Purchase of property, plant and equipment	(5,699)	(2,757)
Net cash used in investing activities	(75,043)	(26,917)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net drawdown / (repayment) of borrowings	9,032	(15,604)
Issuance of share capital to non-controlling interests of a subsidiary	102	-
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	23,429	-
Interest paid	(6,112)	(6,463)
Dividends paid to non-controlling interests of a subsidiary	(946)	-
Net cash from / (used in) financing activities	108,648	(22,067)
Net increase / (decrease) in cash and cash equivalents	42,037	(38,731)
Cash and cash equivalents at 1 April 2013/2012*	(3,476)	35,332
Effect of foreign exchange on opening balance	647	(77)
Cash and cash equivalents at 31 March 2014/2013*	39,208	(3,476)

** 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 first time adoption of MFRS 1	(20,014)	(20,014)
As restated	63,349	104,481
Other receivables, deposits and prepayments		
As previously stated	51,161	36,146
Effects of first time adoption of MFRS 1	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)
Statement of Comprehensive Income		
Loss attributable to owners of the Parent		
As previously stated	(39,535)	(10,953)
Effects of change in accounting policy	(620)	-
As restated	(40,155)	(10,953)
Total comprehensive loss attributable to owners of the Parent		
As previously stated	(39,213)	(10,701)
Effects of change in accounting policy	(620)	-
As restated	(39,833)	(10,701)

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 year under review.

5 Unusual items due to their nature, size or incidence

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

6 Material changes in estimates

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

7 Debt and equity securities

(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.

7 Debt and equity securities (continued)

(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 year under review.

8 Dividends paid

No dividends have been paid during the current financial quarter and year 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**
Twelve Months Financial Year Ended 31 March 2014						
External sales	168,523	162,817	19,656	602	-	351,598
Inter segment sales	22,372	15,284	17,742	39,576	(94,974)	-
Total Sales	190,895	178,101	37,398	40,178	(94,974)	351,598
Segment results	12,610	5,792	4,380	14,432	-	37,214
Share of results of associates						3,530
Interest expense						(6,112)
Interest Income						1,536
Profit before taxation						36,168
Segment assets	180,955	71,312	44,038	182,556	-	478,861
Twelve Months Financial Year 31 March 2013						
External sales	152,518	157,752	28,353	10	-	338,633
Inter segment sales	12,323	14,220	17,962	12,908	(57,413)	-
Total Sales	164,841	171,972	46,315	12,918	(57,413)	338,633
Segment results	10,004	4,442	7,979	(48,962)	-	(26,537)
Share of results of associates						(564)
Interest expense						(6,463)
Interest Income						1,385
Profit before taxation						(32,179)
Segment assets	134,370	52,731	34,579	132,587	-	354,267

10 Carrying amount of revalued assets

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

11 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.

On 23 July 2013, the Company announced that FHB 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. On 1 August 2013, FHB's equity interest in Microlink increased to 51.19%. Hence, Microlink became its subsidiary on the even date.

As at 26 August 2013, the equity interest of FHB in Microlink further increased to 97.83%. This has resulted in Microlink's public shareholding spread stood at 2.17% 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 and 4 September 2013, FHB divested 12.5 million and 500,000 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 in order to ectify the shortfall in the Public Spread Requirement of Microlink. Upon the completion of Divestment, FHB hold an aggregate of 88.40% equity interest in Microlink.

From 4 September 2013 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, FHB further 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 88.52% as at the end of the current financial year.

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	(8,681)
Net cash inflow on acquisition of subsidiary	10,219

(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.

11 Changes in the composition of the group (continued)

(a) Subsidiaries (continued)

(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.

(v) During the second quarter of the current financial year 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.

11 Changes in the composition of the group (continued)

(a) Subsidiaries (continued)

(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 increased its share capital to SGD300 comprising 300 ordinary shares of SGD1.00 each which had 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.

CNA's equity interest in Bancore Asia has been diluted from 100% to 66.67% owned accordingly.

(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") transferred its entire equity interest of eight (8) and two (2) ordinary shares of RM1.00 each in CAFB to CNA and Chelsea Apps Factory Ltd. ("CAF") for a total cash consideration of RM8.00 and RM2.00 respectively.

Accordingly, CAFB became a 80% owned subsidiary of CNA and the Group's indirect equity interest in CAFB had been diluted from 100% to 80%..

(ix) 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%.

(x) On 28 February 2014, FHB transferred 380,000 ordinary shares of RM1.00 each representing the entire issued and paid-up share capital of Bancore Sdn Bhd (formerly known as Tera Asia Pacific Sdn Bhd) (“Bancore”), a wholly-owned subsidiary of FHB, to Bancore Asia for a total cash consideration of RM380,000.00 ("Re-Organisation"). The Re-Organisation is part of the Group’s intention to streamline and realign the businesses to achieve greater operational efficiency.

(xi) 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 had been completed on the even date. 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 subsequently. Accordingly, FHCN became a 40% owned associate of the Group.

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 ordinary shares of RM1.00 each in FHCN ("Call Option Shares") at the Call Option A Price of RM5.00 per Call Option Share 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

Accordingly, FHCN became a 52.63% owned subsidiary of the Group on 31 Mar 2014, being the date of the allotment of the Call Option Shares.

The fair value of the assets acquired and the liabilities assumed from the acquisition of FHCN on 31 March 2014 are as follows:-

	RM'000
Property, plant and equipment	4,247
Inventories	16
Trade receivables	2,659
Other receivables, deposits and prepayments	845
Current tax assets	2
Cash and cash equivalents	43
Trade payables	(1,936)
Other payables, deposits & accruals	(1,167)
Borrowings	(907)
Net identifiable assets acquired	3,802
Less : Non-controlling interests	(1,801)
Group's share of net assets	2,001
Add : Goodwill on acquisition of subsidiary	1,953
Total cost of acquisition	3,954
Less: Cost of investment previously accounted for as associated company	(3,000)
Total cost of acquisition transfered during the current financial period	954
Less: Cash and cash equivalents of subsidiary acquired	(43)
Net cash outflow on acquisition of subsidiary	911

11 Changes in the composition of the group (continued)

(a) Subsidiaries (continued)

(xii) On 21 March 2014, CNA incorporated Chelsea Apps Factory Singapore Pte. Ltd. ("CAFS"), 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. CAFS is currently dormant and its intended principal activities are to carry on the business as information and multimedia technology developers and the conception, design, development, testing and licensing of software for mobile handheld devices including smartphones and tablets.

(b) Associate

(i) On 30 Apr 2013 and 25 Jul 2013, FHB acquired a total of 1,335,000 ordinary shares of RM1.00 each in Hohup for a total consideration of RM1,129,178. Subsequently, FHB further acquired a total of 4,246,000 redeemable convertible preference shares of RM0.01 each ("RCPS") in Ho Hup during the period from 2 January 2014 to 9 January 2014 for a total cash consideration of RM4,708,874.40. On 27 January 2014, FHB converted all 4,246,000 RCPS in Ho Hup to ordinary shares of RM1.00 each. Hence, resulted in its equity interest in Ho Hup increased from 21.33% to 22.66%

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. All the ICPS owned by FHB have not been converted to ordinary shares as at the end of the current financial year.

As at the end of the current financial year, FHB's equity interest in Ho Hup has been diluted from 22.66% to 12.84% resulting from the conversion of Ho Hup's ICPS and RCPS to ordinary shares of Ho Hup by 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 representation in the Board of Directors of Ho Hup. Besides, FHB is also holding 23,115,000 of ICPS, which have the potential, if converted to ordinary shares will give FHB the additional voting power over Ho Hup.

Subsequent to the financial year end, FHB's equity interest in Ho Hup has been further diluted from 12.84% to 10.35% resulting from the conversion of Ho Hup's ICPS and RCPS to ordinary shares of Ho Hup by other ICPS and RCPS's holders of Ho Hup. On 27 May 2014 and 28 May 2014, FHB acquired a total of 800,000 ordinary shares of RM0.50 each in Ho Hup for a total cash consideration of RM1,088,018.05. Following the acquisitions, FHB now holds a total of 28,161,000 Ho Hup's oridinary shares representing 10.66% equity interest in Ho Hup.

(ii) On 15 November 2013, the Company acquired 362,551 Shares representing 8.76% of the existing issued and paid-up share capital of Bancore A/S ("Bancore") from an existing shareholder of Bancore for a total cash consideration of USD480,334 (equivalent to approximately RM1,541,872.14).

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

(a) an Investment Agreement with Bancore, Brian Larsen ("BL") and Jorgen Larsen ("JL") for the following:

(i) 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");

(ii) 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

(iii) 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.

(b) 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 Shares, Subscription ICPS and Subscription Warrants in Bancore have been completed on 2 December 2013.

Pursuant to the Investment Agreement, FRB has:-

(a) 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);

(b) On 28 February 2014, exercised its second 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 approximately EUR 500,000 (equivalent to approximately RM2,274,500);

(c) On 31 March 2014, exercised its third 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 approximately EUR 500,000 (equivalent to approximately RM2,243,935);

Upon completion of the exercise of the third 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	626,830	100.00
Warrants	250,802	30.87

FRB regards Bancore as its associate on 2 December 2013, as FRB has a significant influence on Bancore as FRB is holding ICPS of Bancore, which have the potential, if converted to ordinary shares will give FRB the additional voting power over Bancore.

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

12 Subsequent events

(a) On 3 April 2014, the Company announced that the Company has together with FHB and Man Yau Holdings Berhad ("MYHB"), both wholly-owned subsidiaries of the Company (collectively known as "the Vendors"), entered into a Heads of Agreement ("HOA") with Microlink for the proposed disposal of all of their shareholdings in the following subsidiaries for an indicative disposal consideration of RM50.0 million ("Pre-Adjusted Disposal Consideration") to be satisfied partly by cash and partly via issuance of up to 45 million redeemable preference shares ("RPS") in Microlink ("Proposed Disposal"):-

(i) 100% equity interest in Applied Business Systems Sdn Bhd ("ABSSB") held by FRB;
(ii) 100% equity interest in Formis Systems & Technology Sdn Bhd ("FSTSB") held by FRB;
(iii) 100% equity interest in Formis Computer Services Sdn Bhd ("FCSSB") held by FHB;
(iv) 100% equity interest in First Solution Sdn Bhd ("FSSB") held by FHB
(v) 60% equity interest in Formis Advanced Systems Sdn Bhd ("FASSB") held by MYHB.

The Pre-Adjusted Disposal Consideration is subject to adjustment pursuant to terms and conditions to be set out in the definitive agreements to be entered into between the Vendors and Microlink at a later date.

The Proposed Disposal forms part of an intended plan to restructure FRB and streamline its existing business segments with similar activities into its subsidiary company, Microlink.

Saved as disclosed above, there were no other material events announced subsequent to the end of the current financial year 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 leasing party for leasing facilities to a subsidiary	5,100

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

FRB	
- to leasing party for leasing facilities to a subsidiary	5,154
FHB	
- to leasing party for leasing facilities to a subsidiary	3,254

14 Capital commitments

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

Additional information required by Bursa Securities Listing Requirements
For the Forth Quarter Ended 31 March 2014

1 Detailed analysis of performance

The Group's revenue in the current quarter under review decreased by RM21.14 million compared to the revenue in the corresponding quarter of the preceding financial year. Despite the decrease in revenue in the current quarter, the revenue year-on-year increased by RM12.97 mil.

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

	INDIVIDUAL QUARTER THREE MONTHS ENDED 31 MARCH			CUMULATIVE PERIOD TWELVE MONTHS ENDED 31 MARCH		
	2014 RM'000	2013 RM'000	Variance %	2014 RM'000	2013 RM'000	Variance %
Business Performance Services	52,142	52,910	(1.5)	190,895	164,841	15.8
Trading & Distribution Services	46,982	55,877	(15.9)	178,101	171,972	3.6
Digital & Infrastructure Services	11,525	9,532	20.9	37,398	46,315	(19.3)
Others	31,751	10,721	196.2	40,178	12,918	211.0
	142,400	129,040	10.4	446,572	396,046	12.8
Less : Inter Segment Revenue	(53,871)	(19,372)		(94,974)	(57,413)	
Total Group Revenue	88,529	109,668	(19.3)	351,598	338,633	3.8

The Business Performance Services segment recorded a decrease in revenue for the current quarter under review by RM0.77 million. For the financial year, the revenue increased substantially by RM26.05 million mainly due to the revenue contributed from newly acquired subsidiary, Microlink Solutions Berhad ("Microlink") amounting to RM32.83 million.

The revenue of Trading and Distribution Services Segment decreased by RM8.90 million in the current quarter under review. This was due to sizeable sales recorded in the corresponding quarter of the preceding financial year. Notwithstanding the lower revenue recorded in the current quarter, the revenue in the current financial year under review has increased by RM6.13 million, mainly due to the revenue contributed from newly acquired subsidiary, CA IT Infrastructure Solutions Sdn Bhd ("CAIT") amounting to RM9.74 million.

Despite the increase in revenue in Digital & Infrastructure Services segment by RM1.99 million in the current quarter, the revenue for the current financial year decreased by RM8.92 million compared against the preceding financial year. 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 year.

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

	INDIVIDUAL QUARTER THREE MONTHS ENDED 31 MARCH			CUMULATIVE PERIOD TWELVE MONTHS ENDED 31 MARCH		
	2014 RM'000	2013 RM'000	Variance %	2014 RM'000	2013 RM'000	Variance %
Business Performance Services	3,851	7,761	(50.4)	12,172	9,518	27.9
Trading & Distribution Services	1,149	1,090	5.4	5,369	4,869	10.3
Digital & Infrastructure Services	1,100	1,207	(8.9)	4,408	7,928	(44.4)
Others	9,976	(44,185)	122.6	14,219	(54,494)	126.1
Profit before tax	16,076	(34,127)	147.1	36,168	(32,179)	212.4

The Group recorded a profit before tax for the current quarter under review of RM16.08 million against a loss before tax of RM34.13 million in the corresponding quarter of the preceding year. For the financial year under review, the Group recorded a profit before tax of RM36.17 million against a loss before tax of RM32.18 million in the preceding year. The improved performance of the Group despite the recognition of ESOS expenses during the financial year of RM3.01 million is mainly due to the following factors: -

(i) gain on dilution of equity interest in an associate of RM13.43 million under the Others segment recognised during the current quarter;
(ii) gain on fair value adjustments on other investments of RM4.49 million and RM13.94 million recognised under the Others segment during the current quarter and financial year respectively.
(iii) increase in share of profits from associates by RM4.09 million during the current financial year under Others segment .
(iv) an impairment loss on goodwill of RM42.29 million recognised under the Others segment in the corresponding quarter of the preceding financial year compared to RM0.65 million in the current financial year.

The profit before tax of Business Performance Services Segment in the current financial year increased by RM2.65 million which was mainly contributed by the newly acquired Microlink.

In spite of the significant decrease in revenue in the Trading and Distribution Services segment in the current quarter under review, a marginal increase in profit before tax was recorded due to improved margins. This is due to the overall improvement in GP margin. For the financial year, this segment recorded an increase of of profit before tax of RM0.50 million which was mainly due to higher revenue recorded.

The Digital and Infrastructure Services segment recorded a decrease of RM3.52 million in the profit before tax for the current financial year due to the lower recorded revenue as well as inventories written off of RM1.18 million.

2 Variation of results against preceding quarter

	3 months ended 31.03.2014 RM'000	3 months ended 31.12.2013 RM'000	Variance %
Revenue	88,529	105,425	(16.0)
Profit before tax	16,076	13,005	23.6

The Group recorded a profit before tax of RM16.08 million for the current quarter under review compared to RM13.01 million in the immediate preceding quarter. The increase was mainly due to the gain on dilution of equity interest in an associate of RM13.43 million. During the current quarter under review, the Group recognised lower gain on fair value adjustments on other investments of RM4.49 million compared to the immediate preceding quarter of RM9.24 million.

3 Business prospects

The Board is optimistic that the Group's financial performance in the new financial year will remain positive.

New products and services have been launched during the current financial year 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.

4 Profit forecast

Not applicable.

5 Income tax expense

	INDIVIDUAL QUARTER THREE MONTHS ENDED 31 MARCH		CUMULATIVE PERIOD TWELVE MONTHS ENDED 31 MARCH	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Current tax expense				
- Malaysian taxation	1,202	1,622	3,012	4,738
- Foreign taxation	326	256	394	303
	1,528	1,878	3,406	5,041
(Over) / Under provision in prior period				
- Malaysian taxation	122	(1)	(117)	(77)
- Foreign taxation	3	(6)	118	(70)
	1,653	1,871	3,407	4,894
Deferred taxation				
- origination and reversal of temporary differences				
- Malaysian taxation	(687)	(634)	515	(237)
	966	1,237	3,922	4,657

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

6 Status of corporate proposals

(a) On 15 November 2013, the Company acquired 362,551 Shares representing 8.76% of the existing issued and paid-up share capital of Bancore from an existing shareholder of Bancore for a total cash consideration of USD480,334 (equivalent to approximately RM1,541,872.14).

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, 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 Shares, Subscription ICPS and Subscription Warrants in Bancore have been completed on 2 December 2013.

6 Status of corporate proposals (continued)

Pursuant to the Investment Agreement, FRB has:-

(i) 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);

(ii) On 28 February 2014, exercised its second 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 approximately EUR 500,000 (equivalent to approximately RM2,274,500);

(i) On 31 March 2014, exercised its third 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 approximately EUR 500,000 (equivalent to approximately RM2,243,935);

(i) On 30 April 2014, exercised its fourth 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 approximately EUR 500,000 only [equivalent to approximately RM2,258,356.

Upon completion of the exercise of the fourth 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	752,231	100.00
Warrants	125,401	18.25

FRB regards Bancore as its associate on 2 December 2013, as FRB has a significant influence on Bancore as FRB is holding ICPS of Bancore, which have the potential, if converted to ordinary shares will give FRB the additional voting power over Bancore.

(b) On 3 April 2014, the Company announced that the Company has together with Formis Holdings Berhad ("FHB") and Man Yau Holdings Berhad ("MYHB"), both wholly-owned subsidiaries of the Company (collectively known as “the Vendors”), entered into a Heads of Agreement ("HOA") with Microlink for the proposed disposal of all of their shareholdings in the following subsidiaries for an indicative disposal consideration of RM50.0 million (“Pre-Adjusted Disposal Consideration”) to be satisfied partly by cash and partly via issuance of up to 45 million redeemable preference shares (“RPS”) in Microlink ("Proposed Disposal"):-

(i) 100% equity interest in Applied Business Systems Sdn Bhd (“ABSSB”) held by FRB;
(ii) 100% equity interest in Formis Systems & Technology Sdn Bhd (“FSTSB”) held by FRB;
(iii) 100% equity interest in Formis Computer Services Sdn Bhd (“FCSSB”) held by FHB;
(iv) 100% equity interest in First Solution Sdn Bhd (“FSSB”) held by FHB
(v) 60% equity interest in Formis Advanced Systems Sdn Bhd (“FASSB”) held by MYHB.

The Pre-Adjusted Disposal Consideration is subject to adjustment pursuant to terms and conditions to be set out in the definitive agreements to be entered into between the Vendors and Microlink at a later date.

The Proposed Disposal forms part of an intended plan to restructure FRB and streamline its existing business segments with similar activities into its subsidiary company, Microlink.

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

7 Borrowings and debts securities

The Group's bank borrowings as at 31 March 2014 are as follows:

	RM'000
Short term bank borrowings - secured	
- Denominated in RM	75,809
- Denominated in Thai Baht	1,375
Long term bank borrowings - secured	
- Denominated in RM	14,469
- Denominated in Thai Baht	91
Total borrowings	91,744

All borrowings are denominated in Ringgit Malaysia.

8 Realised and Unrealised Profits or Losses

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

	31.03.2014 RM'000	31.12.2013 RM'000
Total retained earnings/(accumulated losses) of the Group: -		
- Realised	69,140	64,308
- Unrealised	11,330	6,276
	80,470	70,584
Less: Consolidation adjustments	(73,721)	(72,177)
Total Group retained earnings/(accumulated losses) as per consolidated financial statements	6,749	(1,593)

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.

9 Changes in material litigation

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

10 Dividends

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

11 Earnings / (Loss) per ordinary share

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

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

	INDIVIDUAL QUARTER THREE MONTHS ENDED 31 MARCH		CUMULATIVE PERIOD TWELVE MONTHS ENDED 31 MARCH	
	2014	2013	2014	2013
Profit / (Loss) after tax and non-controlling interests (RM'000)	14,120	(37,625)	30,891	(40,155)
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)	140,246	-	140,246	-
Effect of Private Placement of Shares ('000)	14,799	-	14,799	-
WA number of ordinary shares in issue ('000)	340,945	185,900	340,945	185,900
Basic earnings / (loss) per ordinary share (sen)	4.14	(20.24)	9.06	(21.60)

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

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

	INDIVIDUAL QUARTER THREE MONTHS ENDED 31 MARCH		CUMULATIVE PERIOD TWELVE MONTHS ENDED 31 MARCH	
	2014	2013	2014	2013
Profit / (Loss) after tax and non-controlling interests (RM'000)	14,120	(37,625)	30,891	(40,155)
WA number of ordinary shares in issue ('000)	340,945	185,900	340,945	185,900
Effect of dilution : Warrants 2013/2018 ('000)	25,968	-	25,968	-
Adjusted weighted average number of ordinary shares applicable to	366,913	185,900	366,913	185,900
Diluted earnings / (loss) per ordinary share (sen)	3.85	(20.24)	8.42	(21.60)

13 Profit / (Loss) before tax

	INDIVIDUAL QUARTER THREE MONTHS ENDED 31 MARCH		CUMULATIVE PERIOD TWELVE MONTHS ENDED 31 MARCH	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Profit / (Loss) before tax is arrived at after charging: -				
Amortisation of MUNIF transaction cost	-	-	-	93
Bad debts written off	-	250	105	250
Depreciation and amortisation	1,621	1,081	4,360	2,798
Equity settled share-based payment transactions	2,939	-	3,009	-
Impairment losses on:				
- goodwill	650	42,286	650	42,286
- trade receivables	278	720	598	1,058
- other receivables	-	-	-	2
Interest expenses	1,897	2,025	6,112	6,463
Inventories written down	(733)	14	40	35
Inventories written off	1,218	492	1,218	492
Loss on disposal of:				
- other investments	-	-	-	565
- property, plant and equipment	-	-	-	110
Property, plant and equipment written off	25	101	535	172
Realised loss on foreign currency transactions	-	-	184	174
Share of losses of associates	-	-	-	184
Software development costs written off	-	1,151	-	1,151
Unrealised loss on foreign currency translation	1,798	274	1,252	571
And crediting: -				
Bad debts recovered	1	-	154	39
Dividend income	1,293	470	1,304	480
Gain on disposal of :				
- property, plant and equipment	5	3	14	4
- other investments	-	67	-	80
Gain on decreation of equity interest in associates	13,432	-	13,432	-
Gain on remeasurement arising on a business combination	(538)	366	4,163	366
Interest income	356	401	1,536	1,385
Net gain on fair value adjustment on other investments	4,575	(24)	13,978	83
Reversal of impairment losses on:				
- property, plant and equipment	109	765	109	765
- trade receivables	116	716	861	1,336
Realised gain on foreign currency transactions	511	174	641	823
Share of profits of associates	508	787	3,530	-
Unrealised gain on foreign currency translation	10	5	418	280

SUMMARY OF STATUS OF MATERIAL LITIGATIONS AS AT 26 MAY 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 Judge proceeded with the hearing of oral submissions on 21 March 2014 (in respect of the Defendants' submission of "no case to answer"). The counsel for the 1st, 3rd, 4th, 6th to 11th Defendants submitted and the matter was then adjourned to 18 April 2014 for continued hearing. On 18 April 2014, the counsel for the 2nd and 5th Defendant as well as counsel for the 12th Defendant managed to conclude their respective submission. The Judge adjourned the matter for continued hearing on 30 May 2014 and 30 June 2014, for the 13th Defendant's counsel to make his oral submission, the Plaintiff's counsel to reply and for the Defendants' counsel to then respond.