

CONTENTS

P. 02

CORPORATE INFORMATION

P. 14

CHAIRMAN'S STATEMENT

P. 35

STATEMENTS OF
FINANCIAL POSITION

P. 04

BUSINESS STRUCTURE
BY SEGMENT

P. 17

CHIEF EXECUTIVE'S REPORT

P. 37

STATEMENTS OF PROFIT
OR LOSS AND OTHER
COMPREHENSIVE INCOME

P. 06

BUSINESS STRUCTURE
BY COMPANY

P. 22

STATEMENT ON
CORPORATE GOVERNANCE

P. 38

STATEMENTS OF CASH FLOWS

P. 08

FINANCIAL HIGHLIGHTS

P. 29

RISK MANAGEMENT &
INTERNAL CONTROL

P. 40

CONTACT DETAILS
OF SUBSIDIARIES

P. 09

PROFILE OF DIRECTORS

P. 33

AUDIT & RISK MANAGEMENT
COMMITTEE REPORT

CORPORATE INFORMATION

Board of Directors

Non-Executive Chairman

Tan Sri Dato' Seri Megat
Najmuddin Bin Datuk Seri
Dr. Hj. Megat Khas

Non-Executive Vice Chairman

Dato' Mah Siew Kwok

Group Chief Executive Officer / Managing Director

Dato' Gan Nyap Liou
@ Gan Nyap Liow

Executive Directors

Mr Monteiro Gerard Clair
Ms Mah Xian-Zhen

Non-Executive Directors

Dato' Thong Kok Khee
(Non-Independent)

En Ahmad Bin Khalid
(Independent)

Mr Tai Keat Chai
(Independent)

Mr Mah Yong Sun
(Independent)

Board Committees

AUDIT AND RISK MANAGEMENT COMMITTEE

Mr Tai Keat Chai (Chairman)
Dato' Mah Siew Kwok
En Ahmad Bin Khalid

NOMINATION COMMITTEE

En Ahmad Bin Khalid (Chairman)
Tan Sri Dato' Seri Megat Najmuddin
Bin Datuk Seri Dr. Hj. Megat Khas
Mr Mah Yong Sun

REMUNERATION COMMITTEE

Dato' Mah Siew Kwok (Chairman)
Tan Sri Dato' Seri Megat Najmuddin
Bin Datuk Seri Dr. Hj. Megat Khas
Dato' Gan Nyap Liou
@ Gan Nyap Liow

EXECUTIVE COMMITTEE OF THE BOARD

Dato' Gan Nyap Liou
@ Gan Nyap Liow (Chairman)
Ms Mah Xian-Zhen
Mr Monteiro Gerard Clair

LONG-TERM INCENTIVE PLAN COMMITTEE

Mr Mah Yong Sun (Chairman)
Dato' Gan Nyap Liou
@ Gan Nyap Liow
Mr Tai Keat Chai

COMPANY SECRETARIES

Ms Lim Shook Nyee
[MAICSA No. 7007640]
Ms Ng Kam May
[MAICSA No. 7020575]

SHARE REGISTRAR

Bina Management (M) Sdn Bhd
(50164-V)
Lot 10, The Highway Centre
Jalan 51/205, 46050 Petaling Jaya
Selangor Darul Ehsan
Tel: +603 7784 3922
Fax: +603 7784 1988

AUDITORS

BDO
12th Floor, Wisma Uni.Asia
1008 Jalan Sultan Ismail
50250 Kuala Lumpur
Tel: +603 2616 2888
Fax: +603 2616 3190

REGISTERED OFFICE

16th Floor, KH Tower
8 Lorong P. Ramlee
50250 Kuala Lumpur
Tel: +603 2078 4488
Fax: +603 2070 6893

STOCK EXCHANGE LISTING

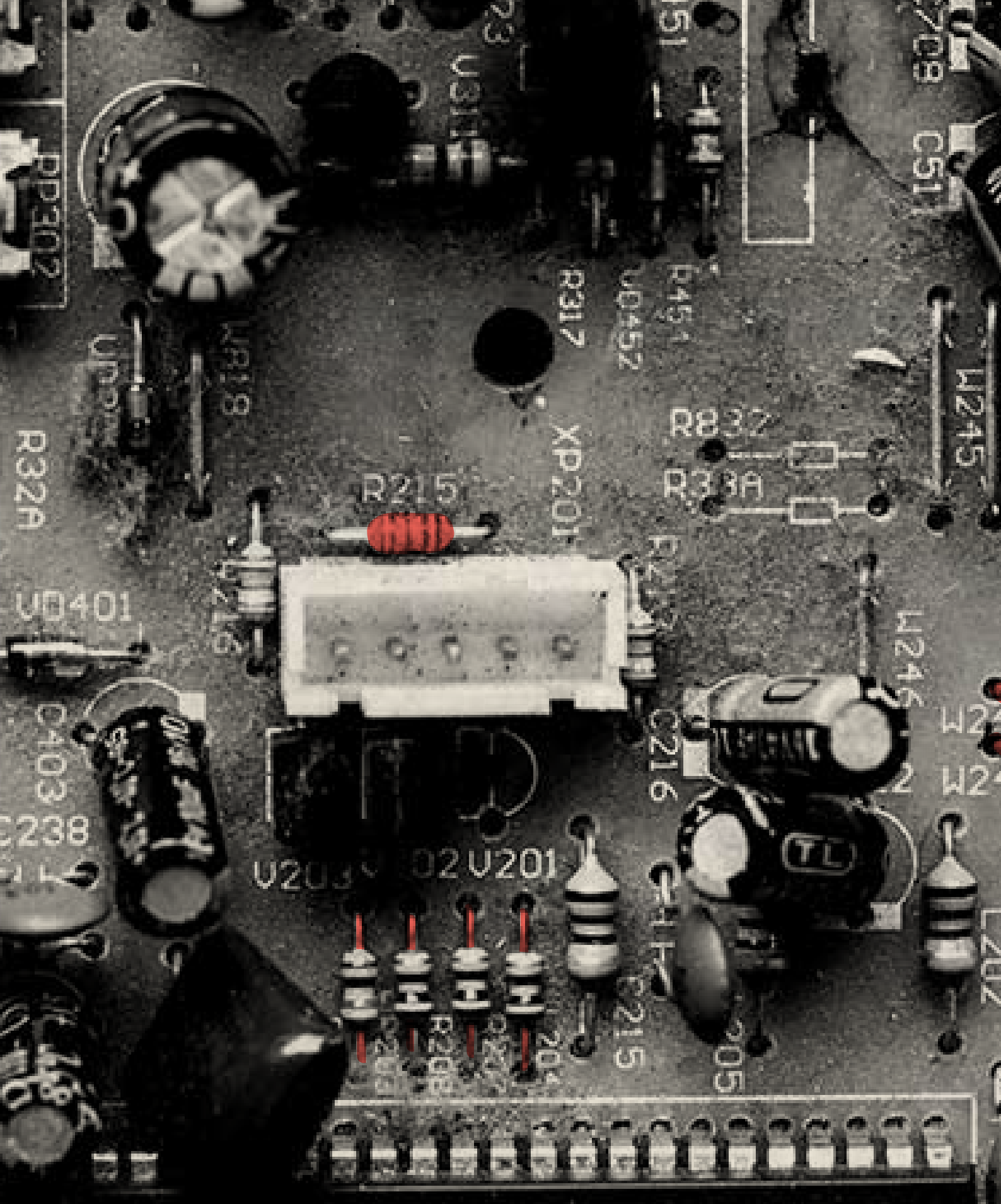
Main Market, Bursa Malaysia
Securities Berhad

PRINCIPAL BANKERS

Affin Bank Berhad
Al Rajhi Banking & Investment
Corporation (Malaysia) Bhd
AmBank (M) Berhad
CIMB Bank Berhad
CIMB Islamic Bank Berhad
Hong Leong Bank Berhad
Hong Leong Islamic Bank Berhad
Malayan Banking Berhad
OCBC Bank (Malaysia) Berhad
Public Bank Berhad
Standard Chartered Bank
Malaysia Berhad
United Overseas Bank
(Malaysia) Berhad

WEBSITE ADDRESS

www.formis.net



M179
100420

DA11 V3PS/V3/3
CR8972
CR8651

PP302

R32A

B401

C238
C403

48

U311

R317

XP201

R215

U201
102V 02U201

R208
20K

U0452

B451

R332

R331

C216

R215

C205

C51

M245

M245

M245

M245

M245

M245

M245

M245

M245

BUSINESS STRUCTURE BY SEGMENT

BUSINESS PERFORMANCE SERVICES

FORMIS
FORMIS NETWORK SERVICES

Formis Network
Services Sdn Bhd

FStech

Formis Software &
Technologies Sdn Bhd

YAKIMBI

Yakimbi Sdn Bhd

BANCORE

Bancore Asia Pte Ltd

FORMIS
FORMIS COMPUTER SERVICES

Formis Computer
Services Sdn Bhd

microlink

Microlink Solutions Berhad
Microlink Systems Sdn Bhd
Microlink Worldwide Sdn Bhd
Microlink Innovation Sdn Bhd
Microlink Software Sdn Bhd

CSA Servis (M) Sdn Bhd

FRDEV

Formis Research &
Development Sdn Bhd

YAKIMBI ICT

Yakimbi ICT Sdn Bhd

FAS
Formis Advanced Systems

Formis Advanced
Systems Sdn Bhd

OMESTI INNOVATION LAB

Omesti Innovation Lab
(Malaysia) Sdn Bhd
(formerly known as Formis
Software Dynamics Sdn Bhd)

ISS ISS CONSULTING
INTEGRATED SOFTWARE SOLUTIONS

ISS Consulting (Malaysia) Sdn Bhd
ISS Consulting (S) Pte Ltd
ISS Consulting (Thailand) Ltd

myATM

MYATM Sdn Bhd

Nostalgic Properties Sdn Bhd

**DIGITAL &
INFRASTRUCTURE
SERVICES**

Fiber@Home™

Fiber At Home City
Networks Sdn Bhd

DGB

Diversified
Gateway Berhad

OHana

Formis Development
Sdn Bhd

**TRADING &
DISTRIBUTION
SERVICES**

ABS

Applied Business
Systems Sdn Bhd

FST
FORMIS Systems & Technology

Formis Systems &
Technology Sdn Bhd

CA
Country
Infrastructure
Solutions

CA IT Infrastructure
Solutions Sdn Bhd

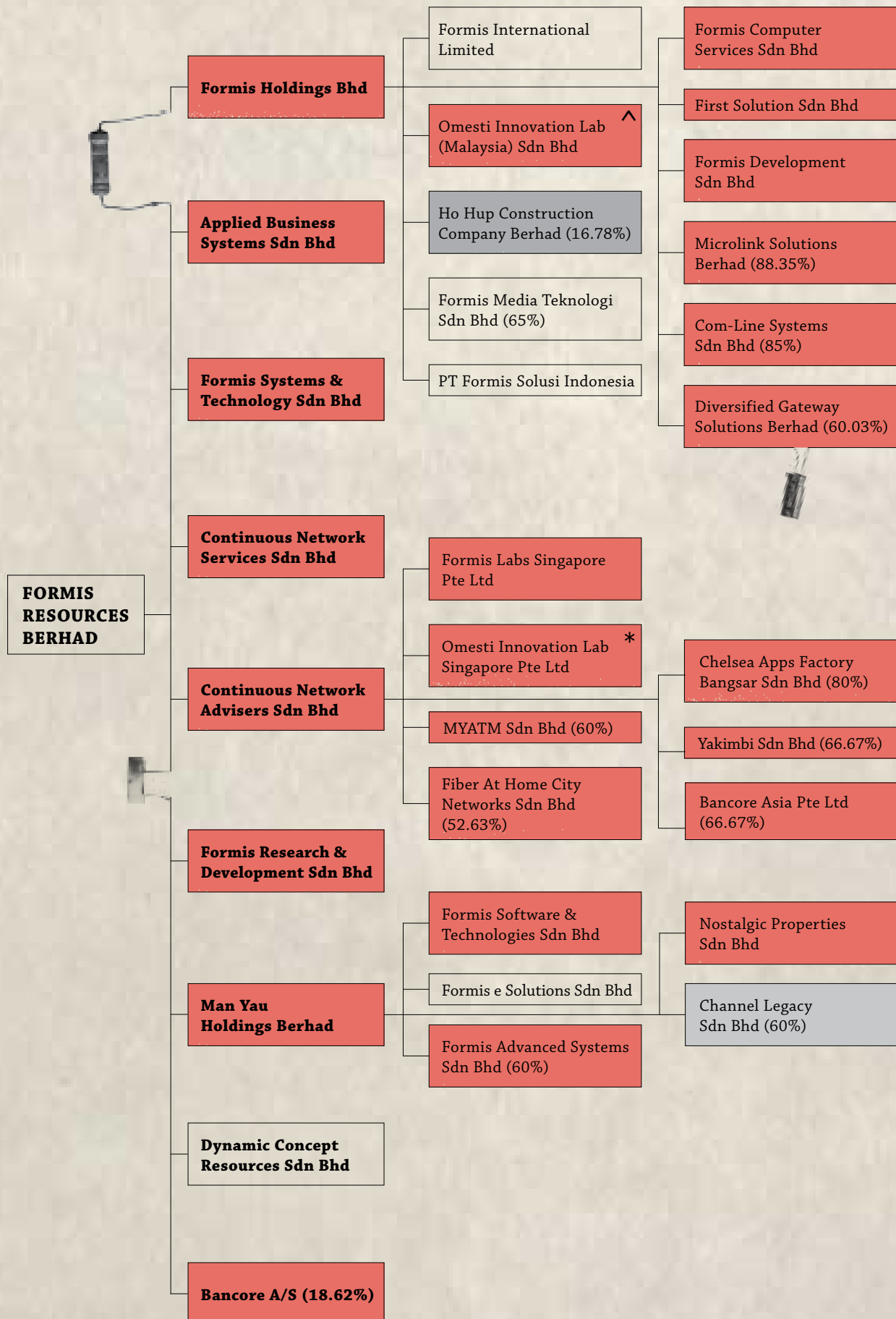
FIRST
SOLUSI Sdn Bhd

First Solution Sdn Bhd

RISB

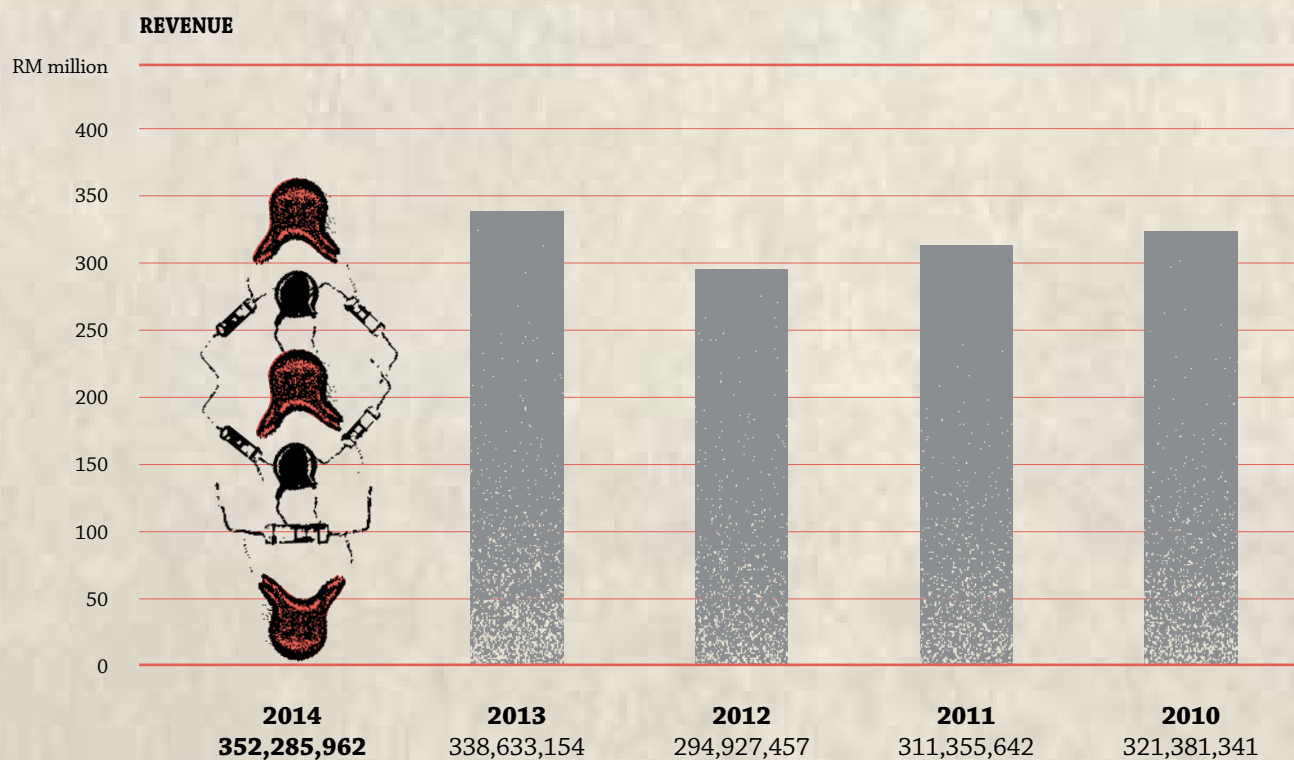
Rangkaian Ringkas Sdn Bhd

BUSINESS STRUCTURE BY COMPANY



FINANCIAL HIGHLIGHTS

5-Year Group Financial Highlights



	SHAREHOLDERS' EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT RM	TOTAL ASSETS RM	NA/ SHARE RM	PROFIT/(LOSS) BEFORE TAX RM	PROFIT/(LOSS) AFTER TAX RM
2014	256,976,890	480,939,956	0.66	34,377,621	30,928,433
2013	139,316,651	354,267,612	0.75	(32,178,481)	(36,835,808)
2012	178,778,940	376,354,368	0.96	(8,137,997)	(13,091,270)
2011	186,634,573	453,630,537	1.00	(21,670,827)	(26,781,088)
2010	220,025,340	495,668,106	1.18	16,217,436	13,734,336



PROFILE OF DIRECTORS

TAN SRI DATO' SERI MEGAT NAJMUDDIN BIN DATUK SERI DR. HJ. MEGAT KHAS

- Age 69, Malaysian
- Non-Executive Director and Chairman since 22 January 2002
- Member of the Board's Remuneration Committee and Nomination Committee

A lawyer by profession who graduated from the University of Singapore, Tan Sri Megat ceased practice in 1986 to concentrate on business and politics, serving as State Assemblyman of Kelana Jaya, Selangor for two terms and as municipal councillor for two decades.

In August 1994, he was appointed Executive Committee Member of the Federation of Public Listed Companies Berhad and elected President in 1997. He has also served as President of the Malaysian Institute of Corporate Governance since April 1998.

He was appointed as a member of the National Economic Advisory Council 2, the Capital Market Strategic Committee and of the Bank Negara Corporate Debt Restructuring Committee. He was also a member of the High Level Finance Committee of the Ministry of Finance and Capital Market Advisory Council of the Securities Commission.

He currently serves as Chairman of Asian Pac Holdings Berhad, SEG International Bhd and Majuperak Holdings Berhad. He also serves as Director on the boards of Petroliam Nasional Berhad, Tradewinds Corporation Berhad and several other private companies. He is also a member of Bank Negara Malaysia's Financial Directors' Education Steering Committee and Advisory Board of Malaysian Anti-Corruption Commission. He is also active in the Institute of Integrity Malaysia, Transparency International Malaysia, is an Adjunct Professor at Faculty of Law, Universiti Utara Malaysia, and a member of UMNO Disciplinary & Appeal Board.



PROFILE OF DIRECTORS

DATO' MAH SIEW KWOK

- Age 66, Malaysian
- Appointed to the Board as an Executive Director on 22 January 2002
- Re-designated as Executive Vice Chairman and Chief Executive Officer on 1 April 2006 and then as Non-Executive Vice Chairman on 31 July 2012
- Chairman of the Board's Remuneration Committee and a member of the Board's Audit and Risk Management Committee

Dato' Mah qualified in law and was called to the English Bar in 1972. He was the founder and senior partner of Messrs Mah & Partners in 1975, specialising in Corporate Law, Banking Law and Land Law. He remained in practice for ten years before venturing into the commercial sector. From 1983 to 1994 he served as Managing Director of South Malaysia Industries Berhad.

Dato' Mah currently serves as a Director of Ho Hup Construction Company Berhad and Kian Joo Can Factory Berhad and as Chairman of Diversified Gateway Solutions Berhad. He also serves on the board of several private companies and as Deputy Chairman of Chong Hwa Independent High School and is a member of the Board of Trustees of Kwan Inn Teng Foundation.

Dato' Mah is the father of Ms Mah Xian-Zhen, an Executive Director of the Company.

DATO' (LARRY) GAN NYAP LIOU @ GAN NYAP LIOU

- Age 59, Malaysian
- Joined the Board on 19 September 2011 as an Independent Non-Executive Director
- Re-designated as Executive Director on 9 May 2013 and as Group Chief Executive Officer / Managing Director on 1 August 2013
- Chairman of the Executive Committee of the Board and a member of the Board's Long-Term Incentive Plan Committee and the Board's Remuneration Committee

A Certified Management Consultant and Chartered Accountant, Dato' Larry Gan was with global management and technology consulting firm Accenture for 26 years until December 2004. A worldwide partner for 16 of those years, he held many global leadership positions including Managing Partner of Asia and Corporate Development Asia Pacific. He was Chairman of the CEO Advisory Council and a member of the Global Management Council from 1997 to 2004.

He has served as Chairman of the Association of Computer Industry Malaysia (PIKOM), and was a member of the Ministry of Science and Technology Think Tank, Copyright Tribunal, and the Labuan International Financial Exchange Committee.

He is currently Chairman of Cuscapi Berhad and Rev Asia Berhad (formerly known as Catcha Media Berhad) and sits on the Boards of AMMB Holdings Berhad, AmBank (M) Berhad, AmIslamic Bank Berhad, Tanjong Public Limited Company, Saujana Resort (M) Berhad and Tropicana Corporation Berhad. He is also a Director of Minority Shareholder Watchdog Group and Chairman & Director of British Malaysian Chamber of Commerce.

MS MAH XIAN-ZHEN

- Age 32, Malaysian
- Joined the Board on 19 September 2011
- Executive Director and a member of the Executive Committee of the Board

Ms Mah joined Formis Resources Berhad in October 2009 as Executive Assistant to the Chief Executive Officer before being appointed as an Executive Director of the Company. She is closely involved in developing, organising, implementing and monitoring strategic plans and programmes throughout the organisation.

Graduating with a Bachelor of Arts from Wellesley College, MA, USA, followed by a Graduate Diploma in Law, she then attended the Bar Vocational Course in London. In 2009, she obtained an Executive Diploma in Islamic Law (Islamic Banking) from International Islamic University, Malaysia. On completing her Bar Vocational Course, she returned to Malaysia and in September 2006, joined Messrs Shook Lin & Bok. In 2007, she was called to the Bar, and remained with the firm as a Legal Assistant until June 2009, focusing on corporate and commercial litigation.

Ms Mah is the daughter of Dato' Mah Siew Kwok, Non-Executive Vice Chairman and a major shareholder of FRB.

MR MONTEIRO GERARD CLAIR

- Age 43, Malaysian
- Joined the Board on 2 July 2012
- Executive Director and a member of the Executive Committee of the Board

A serial entrepreneur, Mr Monteiro Gerard began his career in 1992 as a sales agent for Riken Auto Sdn Bhd and was subsequently appointed as a Director. In 1998, he left Riken Auto and set up Optima Auto Sdn Bhd where he served as Managing Director until 2005.

Since then, Gerard has ventured into the property industry and various other investments via several privately held companies including Red Zone Development Sdn Bhd, an investment holding company. He serves as a Director in Red Zone and in various other private companies, including property development company Montprimo Sdn Bhd where he serves as Executive Vice Chairman. He also currently serves as a Non-Independent Non-Executive Director of Microlink Solutions Berhad.

In his younger years, Gerard was an accomplished sportsman, representing Malaysia in squash at both junior and senior levels. Crowned National Junior Champion in 1988, he also captained the victorious National Junior Team in the East Asian Junior Squash Championships in 1999.



PROFILE OF DIRECTORS

DATO' THONG KOK KHEE

- Age 59, Malaysian
- Joined the Board on 19 September 2011
- Non-Independent Non-Executive Director

Dato' Thong graduated from the London School of Economics, UK and began his career in the financial services industry in 1979. From 1982 to 1988, he worked for Standard Chartered Merchant Bank Asia Limited in Singapore where he became Director of the Corporate Finance Division.

Dato' Thong is Executive Deputy Chairman cum Chief Executive Officer of Insas Berhad and also sits on the Boards of Inari Amertron Berhad, Ho Hup Construction Company Berhad and SYF Resources Berhad.

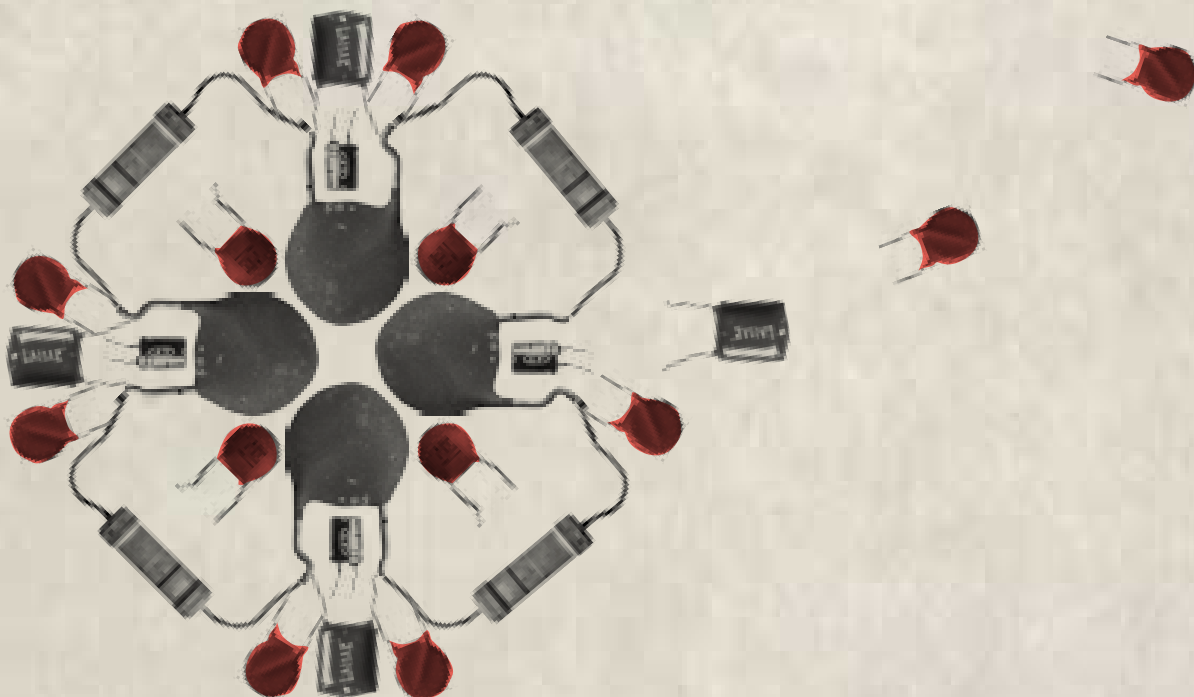
EN AHMAD BIN KHALID

- Age 63, Malaysian
- Re-joined the Board on 1 November 2007
- Independent Non-Executive Director
- Member of the Board's Audit and Risk Management Committee and Chairman of the Board's Nomination Committee.

En Ahmad has held various top management positions in the banking and the telecommunication industries for the past 30 years.

He currently serves as Director on the boards of Watta Holding Berhad, Formis Holdings Bhd, Diversified Gateway Solutions Berhad, Diversified Gateway Berhad and several other private companies. He also serves on the board of several subsidiary companies of the Formis Group.

En Ahmad holds a Diploma in Accountancy from Universiti Teknologi MARA and has attended numerous professional courses both abroad and locally.





PROFILE OF DIRECTORS

MR TAI KEAT CHAI

- Age 60, Malaysian
- Joined the Board on 30 June 2013
- Independent Non-Executive Director
- Chairman of the Board's Audit and Risk Management Committee and a member of the Board's Long-Term Incentive Plan Committee.

Mr Tai brings many years of valuable experience and insight through his work at KPMG, London and PwC in Kuala Lumpur. In 1981, he joined Alliance Investment Bank Berhad where he worked in corporate finance for seven years before venturing into stock-broking, working with SJ Securities Sdn Bhd, AA Anthony Securities Sdn Bhd and Kenanga Investment Bank Berhad.

He is currently a Director of Chuan Huat Resources Berhad, Cusapi Berhad, Microlink Solutions Berhad, SILK Holdings Berhad, MIDF Amanah Investment Bank Berhad and several other unlisted companies.

Mr Tai is a Fellow of the Institute of Chartered Accountants in England & Wales and a member of the Malaysian Institute of Accountants.

MR MAH YONG SUN

- Age 51, Malaysian
- Joined the Board on 1 August 2013
- Independent Non-Executive Director
- Member of the Board's Nomination Committee and the Chairman of the Board's Long-Term Incentive Plan Committee.

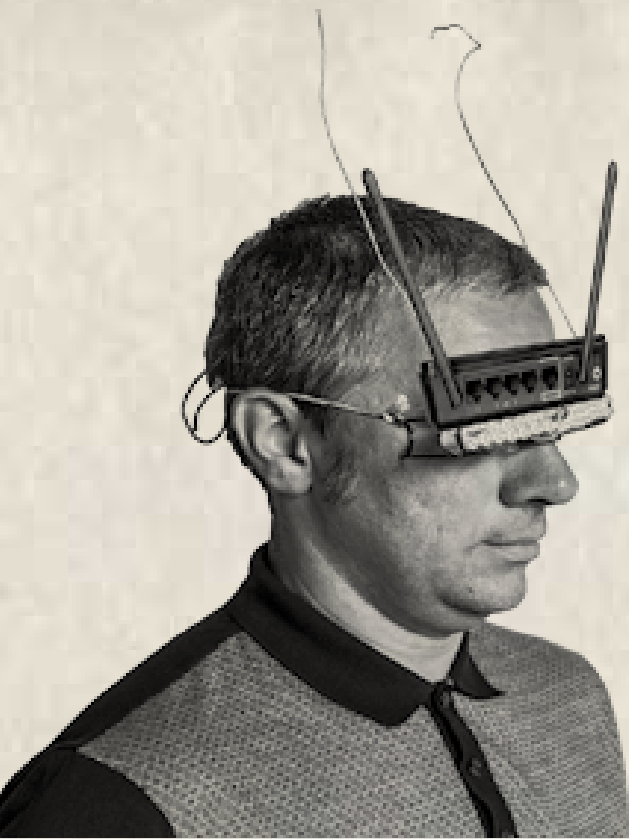
Graduating with a BSc (Eng) in Computing Science from Imperial College London, Mr Mah subsequently joined global management and technology consulting firm Accenture, where he served for 25 years until 2009.

Mr Mah was a partner in Accenture for 12 years and held many leadership roles including change management competency group lead for Asia, communications and high technology lead for Thailand, Malaysia, Philippines and Indonesia and communications sector for Greater China. Mr Mah has extensive experience in the media and communication industries, strategic information planning, complex systems implementation and business operations.

He is currently a Non-Executive Director of Rev Asia Berhad (formerly known as Catcha Media Berhad), Prosten Technology Holdings Limited, Hong Kong and Celcom Axiata Berhad. He also sits on the Development Board of Imperial College London.

Save where disclosed above, none of the Directors has:

- *any family relationship with any Director and/or major shareholder of the Company*
- *any conflict of interest with the Company*
- *any conviction for offences within the past 10 years other than traffic offences*



CHAIRMAN'S STATEMENT

PERFORMANCE

On behalf of the Board of Directors at Formis Resources Berhad, I am pleased to announce that collectively the Group recorded a consolidated revenue of RM352.3million for the financial year ended 2014 (FYE2014), an increase of 4% against the previous financial year end. The profit before tax of RM34.4million recorded during the year under review was a significant improvement compared to the previous financial year's loss before tax of RM32.2million.

The significantly improved performance of FYE2014 was mainly attributable to the following factors:

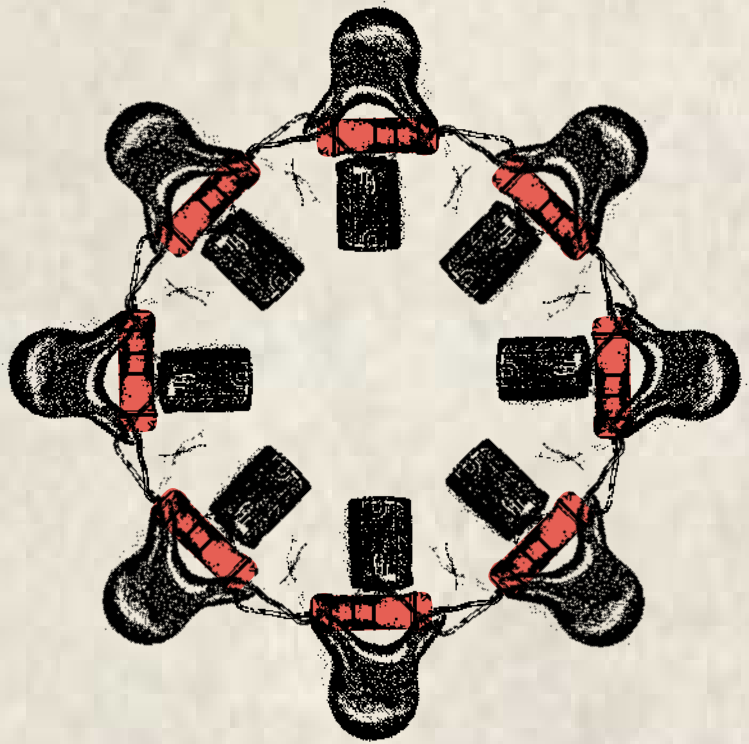
- Revenue and profit contributed from newly acquired subsidiary, Microlink Solutions Berhad (Microlink);
- Gain on dilution of equity interest in an associate of RM13.4million;
- Gain on fair value adjustments on other investments of RM14.0million;
- Increase in share of profits from associates by RM4.09million;
- Reduced impairment loss on goodwill from RM42.3million recognised in the preceding financial year to the current year's RM0.65million.

Change
and
Transformation

key words

ceaselessly linked
with technology.

The same key
words that have
been guiding the
direction and
journey Formis
continues to take .



MARKET TRENDS

While it is undeniable that the world is constantly evolving, the Information, Communications & Technology (ICT) industry is no less different.

Today, we see enterprises increasingly analysing and utilising huge volumes of data generated from their business activities in their decision-making processes; relying on smart devices and mobility; and empowering their human capital to access information anytime, anywhere. Enterprises continue to embrace technology Firstly to enable their businesses and secondly to give their businesses the competitive edge required to help them leapfrog their competitors.

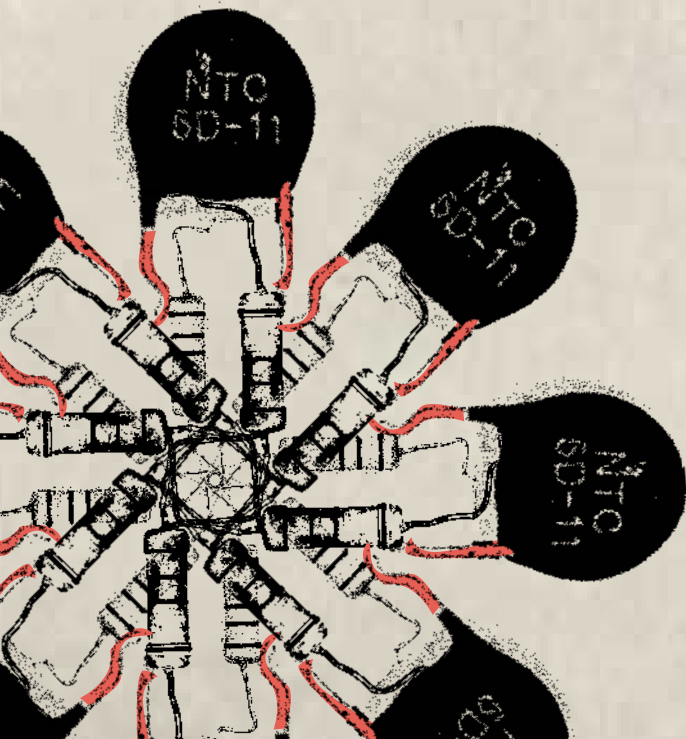
Formis' recent spurt of corporate proposals is fully set out in pages 101 to 103 of the Financial Statements of this Annual Report. This activity and the Group's ongoing search for strategic investments, innovative partnerships and creative new talent are initiatives that will ensure Formis remains relevant and at the forefront of this constantly evolving industry.

AWARDS

As we move towards new businesses and market spaces, Formis continues to strive for excellence. Indeed, I am proud to announce that one of our wholly-owned subsidiaries was the only South-East Asian company to be awarded the EMC Partner Services Quality (PSQ) award for 2013. Formis Systems & Technology Sdn Bhd (FST) was honoured for achieving outstanding service excellence and customer service as measured by the EMC PSQ programme.

RESPONSIBLE CORPORATE PRACTICES

For the current year under review, Formis continued to incorporate new initiatives into its operations as part of our commitment to being a responsible corporate citizen. These initiatives included formalising our internship programme in partnership with several universities and colleges, providing the opportunity for creative young people to embark on a rewarding career in the ICT industry. We are looking to expand this programme with more universities moving forward.



CHAIRMAN'S STATEMENT



The Group also recently established the Anaho Foundation, a charity trust, which has as its primary aim the provision of education and medical welfare to underprivileged children.

Lastly, our employees are actively encouraged to donate part of their time to assisting those less fortunate than themselves. Part of this programme during the year under review included visits to several old folks' homes and a home for special needs people, where employees presented cash, electrical items and goody bags as well as groceries and basic necessities.

APPRECIATION & ACKNOWLEDGMENT

As Chairman of the Group, I would firstly like to welcome Dato' Larry Gan as Group Chief Executive & Managing Director. I am confident that under his stewardship, the Group will benefit extensively from his breadth of experience, comprehensive knowledge base and innovative thinking. These attributes will contribute to the positive transformation of the Group and deliver a new lease of life for the organisation that goes beyond all expectations.

I would like to extend my heartfelt gratitude and appreciation to the people who made it all possible for the Group's successes in the FYE 2014. To the Board of Directors, the Executive Committee and the Management Team who have each provided their wisdom and guidance and contributed to the success of the Company.

To the employees of the Group, thank you for your diligence, dedication and loyalty.

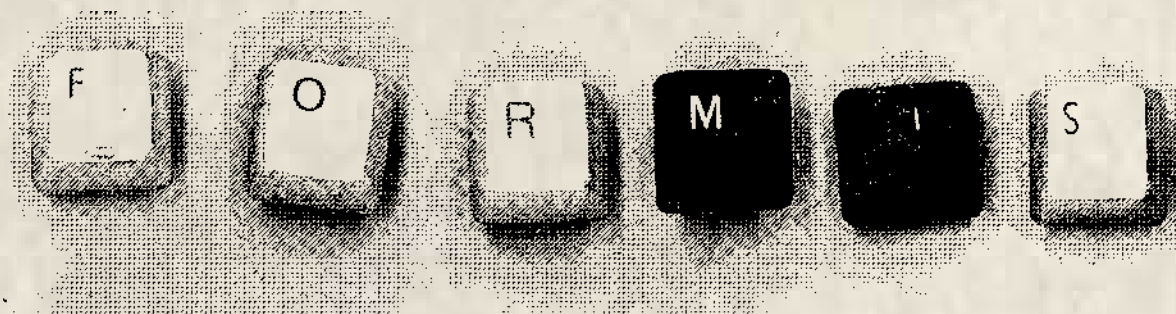
To our financiers, business partners, suppliers, shareholders and customers who continue to keep their faith in us. We at Formis appreciate your continued commitment to and confidence in the Group and its endeavours. We will continue to strive and create an ICT sector that sets a new benchmark in the industry.

We look forward to going through these exciting times with all of you.

Thank you.

Tan Sri Dato' Seri Megat Najmuddin Bin Datuk Seri Dr. Hj. Megat Khas

CHAIRMAN



CHIEF EXECUTIVE'S REPORT

Formis started the year on the back of rejuvenation, expansion and transformation exercises, activity that continues vigorously into this financial year and beyond.

OPERATIONAL REVIEW

The Group recorded a year-on-year increase in revenue by RM13.7million to RM352.3million. Profit before tax (PBT) however, recorded a marked improvement of RM66.6million to RM34.4million during the year under review from the previous year's loss before tax of RM32.2million.

While the increase in revenue and PBT was indeed assisted by the conclusion of our general offer of Microlink Solutions Bhd (Microlink), which effectively became a subsidiary in August 2013, other factors arising from the Group's investments also positively contributed to the PBT. Among these were the gain in dilution of equity interest in its associate Ho Hup Construction Company Bhd (Ho Hup) (RM13.4million), revaluation of financial instruments pursuant to MFRS 139 (RM14.0million) and re-measurement gains from associates becoming subsidiaries (RM4.2million).

Lower operating expenses (OPEX) during the year under review was due primarily to significant reduction in goodwill impairments (RM0.65million compared to RM42.3million) but after accounting for RM3.1million of share-based payment charges from the ESOS offered to employees and various non-recurring costs arising from the various corporate exercises undertaken by the Group during the year under review.

Concurrently, Formis has continued to participate in strategic investments and partnerships together with setting up new businesses, investing in new capabilities, acquiring new talent and developing new product streams. The primary aim of this activity has been to enable us to become the game-changer enterprise in our industry and to disrupt the market landscape we participate in.

Towards the end of FYE 2013 and over the course of FYE2014, we have reorganised the subsidiaries under three business segments, namely: Business Performance Services; Trading & Distribution Services and Digital & Infrastructure Services.

CHIEF EXECUTIVE'S REPORT



BUSINESS PERFORMANCE SERVICES

With the inclusion of Microlink, revenue under the Business Performance Services segment increased by RM26.7million, a 16.2% positive variance from the previous financial year, and an increase of operational PBT by RM2.0million, a 21.2% positive increase from the previous financial year. Strategically, this recent purchase expands Formis Group's product offerings in the financial services industry.

TRADING & DISTRIBUTION SERVICES

The Trading & Distribution Services segment also recorded an increase in revenue by RM6.1million with an increase in operational PBT by RM0.5million, a year on year variance of 3.6% and 10.3% respectively. The increase in the Trading & Distribution Services segment was largely due to the inclusion of CA IT Infrastructure Solutions Sdn Bhd, a wholly owned subsidiary of Microlink, and the positive contribution by a newly set up subsidiary, Rangkaian Ringkas Sdn Bhd, a wholly owned subsidiary of DGSB.

DIGITAL & INFRASTRUCTURE SERVICES

Revenue for the Digital & Infrastructure Services segment decreased by RM8.9million, a negative variance of 19.3% with an operational PBT of RM4.4million, a decrease of RM3.5million compared to the previous financial year. This lower revenue recorded was due to sizeable projects recorded in the previous financial year and the lower profit recorded was due to lower revenue and writing off of inventories in the region of RM1.2million for FYE 2014.

NEW ENTERPRISES

Over the course of FYE 2014, the Formis Group has taken significant steps on our journey towards becoming a game-changer enterprise, set up to disrupt the traditional market space. We have begun to invest in new companies and set up new entities, all of which are very different to the conventional IT/technology business for which Formis has been known in the past.

In November 2013, a new broadband service, Ohana was launched. Set up to provide high speed fibre broadband and online web services, Ohana is currently targeting the Small and Medium Enterprises (SME) market. Moving forward, Ohana is expected to contribute to the Digital & Infrastructure Services segment of the Group.

During the same month, the Company entered into an investment agreement with Bancore A/S, a mobile remittance company with proprietary technology allowing unbanked people to participate in the world economy through their mobile phones. A partner agreement was also concurrently entered into by a subsidiary of the Group, Bancore Asia Pte Ltd (Bancore Asia), which gives Bancore Asia exclusive rights to market the platform in Asia.

Together with investments made by the Group in the preceding financial year such as MYATM Sdn Bhd, this investment in Bancore is expected to support the Group's foray in the e-payment and virtual banking space.



Innovation and CyberSecurity are two other key ventures that the Group has invested in. These take the form of Omesti Innovation Lab Singapore Pte Ltd, a technology hub set up to develop enterprise solutions, initially for target markets that include financial services, healthcare and education. The Group has also signed a strategic partnership with Digital Shadows, a UK-based specialist cybersecurity firm, to bring leading edge digital protection technology to Asia, with the initial target market sector being financial services.

Overall, these new partnerships, investments and capabilities are a core component of the Group's strategy to evolve, adapt and adopt in order to transform its business portfolio and tap new markets.

NEW MARKETS

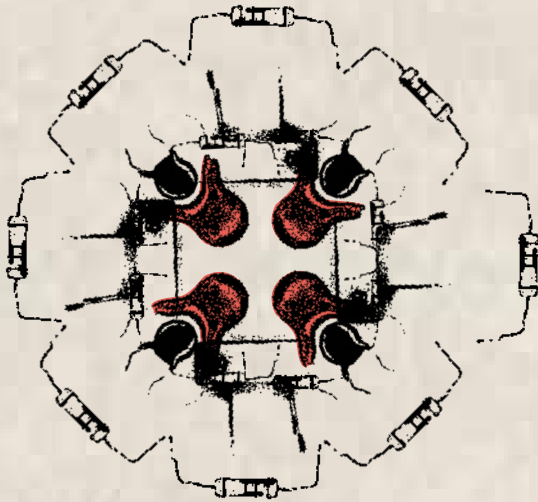
Over and above equipping the Group with the necessary products and service capabilities through investments and strategic partnerships, the Group is geared up to explore new and emerging markets, and to expand further into the territories where we already have a foothold.

OUR PEOPLE

Our biggest and most important asset is our people. Over the year, we embarked on a concerted campaign to attract and recruit creative and innovative young people with the right levels of energy and enthusiasm to play a key role in the transformation of the Group. Alongside this, we have set in place a Long-Term Incentive Plan for the purposes of motivating and retaining the best, the brightest and the most dedicated talent within our organisation. We are committed to and care about their ongoing development. By supporting and motivating our people in a positive way, we are confident they will be inspired to help deliver optimum results for our customers and ultimately our shareholders.



CHIEF EXECUTIVE'S REPORT



OUR CORE VALUES

OMESTI is founded on three main pillars.



*about the people we work for.
Working for the better good
of society by ensuring that
our business helps people to
live better, work smarter,
grow faster.*

THE **S** **HIT** **T** IS HITTING THE FAN

As part of this evolution of Formis, we are adopting a new brand identity.

It's a tough world. Companies are facing new challenges every day. We arm those companies with the best tools they need to tackle and overcome those challenges.

We create opportunities for improved performance and connectivity for our customers through the way we operate.

We combine the experience and maturity of our own established organisation with ground-breaking innovation from across the world to be a bold, dynamic force in the market.

We are adopting a new approach to everything – including our own organisation which we have dissected, reenergised and regenerated.

ACKNOWLEDGEMENTS

As CEO, I would like to express my gratitude and appreciation to my fellow Board Members, Executive Committee members, the management team and the employees of the Group for playing their part in this continuous transformation of the Group. Unity is strength. I know by all of us continuing to work together, we will be able to deliver greater value and results for all our stakeholders in this new financial year.

Dato' Larry Gan

CHIEF EXECUTIVE OFFICER



*Creating markets, reconnecting
audiences, spawning new
enterprises that change the
way people interact, redefining
boundaries in a global
borderless world.*



*Acquiring the best minds
for our business, pushing
the boundaries to achieve
optimum results.*

These three elements combine to be a powerful force, a complete cycle.

WHY OMESTI?

1. We disrupt markets
2. We challenge conventional thinking!
3. We dismantle barriers
4. We are a place of birth of new ideas
- ★ 5. We provide business knowledge and wisdom for entrepreneurs to flourish.
- ★ 6. We build successful and sustainable business models.

THE OMESTI BRAND

The OMESTI logo comprises a distinctive emblem that takes the form of a tree and is used together with the OMESTI name rendered in a bespoke logotype, designed to depict inclusiveness.

These types of emblem are used as family crests, bringing together members of a clan under one identity. In our case, that clan is the OMESTI family.

The tree element in the logo represents growth and life. Rooted and stable, it also represents a strong foundation upon which the organisation is based. Branching out in all directions, it represents diversity and abundance of self-sustaining resources. It also provides shelter to the community.



STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors (The Board) of Formis Resources Berhad (The Company) and Management recognise the importance of having and adhering to a strong corporate governance framework in order to enhance shareholder value and to safeguard the interests of its stakeholders.

The Board and Management are committed to ensuring that the Group's business and affairs are in strict adherence to the doctrine and principles of good corporate governance including integrity, transparency, accountability and responsible business conduct. This is evident by the Company's internal standards, processes, guidelines and systems.

The Board has endeavoured to comply with the relevant Principles and Recommendations as set out in the Malaysian Code on Corporate Governance 2012 (MCCG 2012) and the extent of its compliance is set out below.

THE BOARD

Roles and Responsibilities

The Board has the overall responsibility for corporate governance, strategic direction, corporate planning and overseeing the investment and business of the Group. The Board maps out the Group's strategies in addition to its responsibility to review the Management's action plans. The Board's other primary duties are to conduct regular reviews of the Group's business operations and performance and to ensure that effective controls and systems exist to measure and manage the principal risks of the Company's business. The Board also reviews major strategic initiatives of the Company to determine whether the Company's proposed actions accord with long-term business strategies and shareholder objectives. At the same time, the Board also undertakes the responsibility of safeguarding shareholders' equity interest through the optimum utilisation of the Company's capital resources, including issuance of debt and equity securities and setting an appropriate dividend policy.

The Board recognises the importance of attracting and retaining key management personnel and as such has made concerted efforts to identify and groom middle management at all key areas as an integral part of the management succession plan. The plan also includes offering a competitive remuneration package to and providing training and career development

opportunities for employees in all key functions of the Group operations.

The Board delegates certain responsibilities to the respective Committees of the Board which operate within clearly defined terms of reference. The Chairmen of the various Committees inform the Directors at Board meetings of matters and recommendations which the respective Committees deem should be highlighted to the Board.

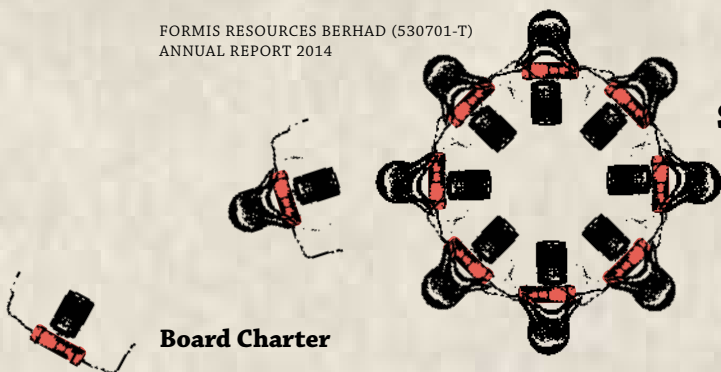
Standing Committees of the Board include the Audit & Risk Management Committee, the Executive Committee of the Board, the Long-Term Incentive Plan Committee, the Remuneration Committee and the Nomination Committee (collectively referred to as Board Committees). The current composition of the Board Committees are set out on page 2 of the Abridged Version of this Annual Report.

Composition and Board Balance

The Board consists of nine (9) members – three (3) Independent Non-Executive Directors, three (3) Non-Independent Non-Executive Directors including the Chairman and three (3) Executive Directors. The Board's composition complies with the requirements mandated by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities) (Listing Requirements). The Board, through annual review by the Nomination Committee, is of the view that the current Board composition is appropriate in terms of its membership and size.

The Board is well-represented by individuals with diverse professional backgrounds and experience in the areas of finance, accounting, economics and law. The diversity of skill, experience and knowledge of its members in various disciplines and professions allows the Board to address and/or to resolve the various issues in an effective and efficient manner.

There is also a balance in the Board with the presence of Independent Non-Executive Directors of the necessary calibre and experience to carry sufficient weight in Board decisions. Although all the Directors have equal responsibility for the Group's operations, the role of the Independent Non-Executive Directors is particularly important in providing an independent view, advice and judgment to take into account the interests of the Group, shareholders, employees and communities in which the Group conducts its businesses. The Profiles of the Directors are presented on pages 9 to 13 of the Abridged Version of this Annual Report.



STATEMENT ON CORPORATE GOVERNANCE

Board Charter

The Board has established a Board Charter as a key point of reference to clarify the roles and responsibilities of the Board. The Board Charter is periodically reviewed and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities. The Board assumes the six principal responsibilities specified in the MCCG 2012 when discharging its leadership and control responsibilities. The Board Charter is available for reference at the Company's website www.formis.net.

Directors' Code of Ethics

The Board observes a code of ethics in accordance with the code of conduct expected of Directors as set out in the Company's Directors' Code of Ethics established by the Companies Commission of Malaysia.

In line with good governance and transparency, a Whistle-Blowing Policy has been adopted by the Company which sets out the principle and grievance procedures for employees to raise genuine concerns of possible improprieties perpetrated within the Group. Both the Code of Ethics and the Whistle-Blowing Policy are available for reference at the Company's website www.formis.net.

Sustainability

The Board believes that sustainable corporate success requires the highest standard of corporate behaviour including measuring up to public expectations on environmental and social responsibilities. Good corporate governance through the practice of accountability, honesty and transparency coupled with effective adoption of corporate social responsibility (CSR) will ensure the Group's sustainability in the competitive corporate world and have a positive influence on the Group's business strategy and performance in the short-term and long-term. The Group emphasises CSR in four (4) key areas, namely the workplace, the community, the environment and the marketplace. Our sustainability strategy aims to deliver lasting value for our shareholders and stakeholders.

Details of our CSR initiatives for the year under review are included in the Chairman's Statement on pages 15 to 16 of the Abridged Version of this Annual Report.

Supply of Information and Company Secretaries

The Board has full and unrestricted access to all information within the Company and the Group as well as the advice and services of senior management and the Company Secretaries in carrying out their duties.

The Company Secretaries play an advisory role to the Board on matters pertaining to compliance of procedures, rules and regulatory requirements. Deliberations at meetings on issues discussed and decisions made, are properly recorded and kept.

The Board may consult with other Group employees and seek additional information where appropriate. Likewise, the Directors have access to independent professional advice whenever such services are needed to assist them in carrying out their duties, at the Company's expense. Any such requests shall be forwarded to the Chairman for approval.

STRENGTHEN COMPOSITION

Nomination Committee

The Nomination Committee (NC) is comprised entirely of Non-Executive Directors, the majority of whom are Independent Directors. The NC recommends to the Board suitable candidates for appointment as Directors, and filling the vacant seats of Board Committees. Meetings of the NC are held as and when required, and at least once a year. The current NC Chairman is independent and able to contribute effectively to the NC in view of his extensive boardroom experience. In evaluating the suitability of candidates, the NC considers the following factors before recommending to the Board for appointment:

- skills, knowledge, expertise and experience;
- time commitment to effectively discharge his/her role as a director;
- character, integrity and competence; and
- in the case of candidates for the position of Independent Non-Executive Directors, the NC shall also evaluate the candidates' ability to discharge such responsibilities / functions as are expected from Independent Non-Executive Directors.

STATEMENT ON CORPORATE GOVERNANCE

The NC has a formal assessment mechanism to assess the effectiveness of the Board as a whole and the contribution of each individual director. During the financial year, the NC conducted the annual review of the Board's effectiveness as a whole, the performance of the Board Committees and the performance assessment of each individual Director. Based on the annual review carried out, the NC is satisfied that the size of the Board is optimum and that there is an appropriate mix of skills and core competencies in the composition of the Board. The current composition of the NC is as set out on page 2 of the Abridged Version of this Annual Report.

During the financial year ended 31 March 2014, three (3) NC meetings were held.

The Board acknowledges the need for gender diversity for good governance practices and to enhance the efficient functioning of the Board. The Board believes the appointment of new members is guided by the skills, experience, competency and knowledge of the individual candidate and it shall review any potential candidate wherever reasonably possible. In line with this, a Board Diversity Policy has been adopted by the Company. Gender quota and target will be considered when vacancies arise and suitable candidates are identified. The Company currently has one (1) female representation on the Board.

Re-election

In accordance with the Company's Articles of Association, one third (1/3) of the Directors for the time being shall retire from office and be eligible for re-election, provided always that all Directors shall retire from office once at least three (3) years but shall be eligible for re-election. The Directors to retire every year shall be those who have been longest in office since their last election.

The Articles of Association of the Company further provides that Directors who are appointed by the Board to fill a casual vacancy or as an addition to the existing Board are subject to re-election by the shareholders at the next Annual General Meeting following their appointment.

Remuneration Committee

The Remuneration Committee (RC) comprises mainly of Non-Executive Directors. The RC is entrusted under its Terms of Reference to assist the Board, amongst others, to carry out annual review of salaries, incentive arrangements and other employment conditions of the Executive Directors. Meetings of the RC are held as and when required, and at least once a year. The RC met once during the financial year ended 31 March 2014 to review the remuneration of the Executive Directors.

The current composition of the RC is as set out on page 2 of the Abridged Version of this Annual Report.

Remuneration Policy and Procedure

The objective of the Company's policy on Directors' remuneration is to attract and retain Directors of the calibre needed to lead the Group successfully.

The remuneration of the Executive Directors is structured so as to link rewards to corporate and individual performance. In the case of the Non-Executive Directors, the level of remuneration reflects the experience, expertise and level of responsibilities undertaken by the particular Non-Executive Director concerned.

The RC reviews and recommends to the Board the remuneration package of each of the Executive Directors. It is the responsibility of the entire Board to approve the remuneration of these Directors. The determination of the remuneration of the Non-Executive Directors is a matter for the Board as a whole. The Executive and Non-Executive Directors play no part in decisions on their own remuneration.

The fees of the Directors are subject to approval of shareholders at the Annual General Meeting. The Non-Executive Directors are also paid meeting attendance allowance for each Board meeting, Board Committee meeting and Shareholders' meeting that they attend.

The remuneration for Executive and Non-Executive Directors paid/payable by the Group for the financial year under review is as set out in the accompanying table:

STATEMENT ON CORPORATE GOVERNANCE

CATEGORY	DIRECTORS' FEES (RM)	DIRECTORS' SALARIES AND OTHER EMOLUMENTS (RM)	TOTAL (RM)
EXECUTIVE DIRECTORS			
Dato' Gan Nyap Liou @ Gan Nyap Liow (Re-designated as Executive Director on 9 May 2013 and as the Group Chief Executive Officer / Managing Director on 1 August 2013)	4,040.00	1,412,642.55	1,416,682.55
Ms Mah Xian-Zhen	-	759,360.00	759,360.00
Mr Monteiro Gerard Clair	-	759,360.00	759,360.00
NON-EXECUTIVE DIRECTORS			
Tan Sri Dato' Seri Megat Najmuddin Bin Datuk Seri Dr. Hj. Megat Khas	116,583.00	21,825.00	138,408.00
Dato' Mah Siew Kwok	76,783.00	251,591.00	328,374.00
En Ahmad Bin Khalid	78,750.00	14,600.00	93,350.00
Dato' Thong Kok Khee	57,750.00	7,000.00	64,750.00
Mr Tai Keat Chai (Appointed on 30 June 2013)	63,234.00	14,000.00	77,234.00
Mr Mah Yong Sun (Appointed on 1 August 2013)	40,000.00	7,000.00	47,000.00
Mr Boey Tak Kong (Resigned on 31 May 2013)	8,750.00	800.00	9,550.00

REINFORCE INDEPENDENCE

Annual Assessment of Independent Directors

The NC is responsible for assessing the independence of Independent Directors annually based on their independent and constructive views, deliberations and contributions during the Board meetings. The criteria for assessing independence developed by the NC will be applied upon admission, annually and when any new interest or relationship develops.

Tenure of Independent Directors and Shareholders' Approval for Retaining Independent Director who has served for more than nine (9) years

The NC and the Board have upon their assessment, concluded that the Independent Non-Executive Directors continue to demonstrate conduct and behaviour that are essential indicators of independence, and that they continue to fulfill the definition of independence as set out in the Listing Requirements.

One of the recommendations of the MCCG 2012 states that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. However, the NC and the Board have determined at the assessment carried out that En Ahmad Bin Khalid, who has served on the Board for more than nine (9) years cumulatively, remains objective and independent in expressing his views and in participating in deliberations and decision-making of the Board and Board Committees. The length of his service on the Board does not in any way interfere with his exercise of independent judgment and ability to act in the best interests of the Company.

Positions of Chairman, Vice Chairman and Executive Directors

The Non-Executive Chairman presides over all meetings of the Board of Directors. The roles and responsibilities of the Non-Executive Chairman, the Non-Executive Vice Chairman, the Group Chief Executive Officer / Managing Director and of the Executive Directors are clearly established, each having separate and clearly defined scopes of responsibilities and authority. The division of roles

STATEMENT ON CORPORATE GOVERNANCE

and responsibilities ensures that there is no excessive concentration of power in these positions.

The Group Chief Executive Officer / Managing Director and the Executive Directors have overall responsibility for the operational and business units, organisational effectiveness and implementation of Board policies, directives, strategies and decisions. The Non-Executive Chairman is responsible for the leadership of the Board, ensuring its effectiveness and ensuring that proper strategy and business conduct are proposed to the Board for deliberation. He is constantly in touch with and maintains regular dialogue with the Non-Executive Vice Chairman, the Group Chief Executive Officer / Managing Director and the Executive Directors.

The Chairman of the Board is not an independent director by virtue of his substantial interest in the Company. Notwithstanding that the Board does not comprise majority Independent Directors where the Chairman is not an Independent Director as recommended in the MCCG 2012, the Independent Directors are able to exercise strong independent judgment and provide independent views and advice to all Board deliberations.

This represents a satisfactory alternative to the requirement of the recommended best practices of having the majority of Board members to be Independent Directors where the Chairman of the Board is non-independent, with appropriate representations of minority interest through the Independent Non-Executive Directors. In addition, the Board believes that the Chairman is competent to act on behalf of shareholders in their best interests and does not recommend the necessity of nominating an Independent Non-Executive Chairman at this time.

FOSTER COMMITMENT

Time Commitment

The Board holds at least four (4) scheduled quarterly meetings with additional meetings being convened as and when necessary. Prior to each meeting, every Director is provided with the complete agenda and a set of Board papers well in advance to give them ample time to review matters to be deliberated at the meeting and so facilitate informed decision-making.

Senior management may be invited to attend these meetings to explain and clarify matters being tabled.

A formal schedule of matters is adopted which includes strategy and policy issues, major investments, financial decisions and the annual business plan. All deliberations by the Board, including issues discussed and decisions made are recorded by the Company Secretary in the minutes of meetings which are properly kept and produced for inspection, if required.

During the financial year ended 31 March 2014, the Board met five (5) times during which it reviewed and approved various issues including the quarterly financial results of the Group for the announcement to Bursa Securities, business plan and strategy, major investments and strategic decisions, as well as the performance of the Group. The Board also reviewed the adequacy of the Group's internal control system.

Details of the attendances of the Directors at the Board meetings during the financial year are provided below:

DIRECTORS	TOTAL MEETINGS ATTENDED
Tan Sri Dato' Seri Megat Najmuddin Bin Datuk Seri Dr. Hj. Megat Khas	4 out of 5
Dato' Mah Siew Kwok	5 out of 5
Dato' Gan Nyap Liou @ Gan Nyap Liow	5 out of 5
Ms Mah Xian-Zhen	5 out of 5
Mr Monteiro Gerard Clair	5 out of 5
Dato' Thong Kok Khee	4 out of 5
En Ahmad Bin Khalid	5 out of 5
Mr Tai Keat Chai (Appointed on 30 June 2013)	4 out of 4
Mr Mah Yong Sun (Appointed on 1 August 2013)	2 out of 3
Mr Boey Tak Kong (Resigned on 31 May 2013)	1 out of 1

All Directors have complied with the minimum 50 percent attendance requirement at Board meetings during the financial year ended 31 March 2014 as stipulated by the Listing Requirements. As such, the Board is satisfied with the level of time commitment given by the Directors of the Company towards fulfilling their duties and responsibilities.

STATEMENT ON CORPORATE GOVERNANCE

The Directors observe the recommendation of the MCCG 2012 that they are required to notify the Chairman of the Board before accepting any new directorships and to indicate the time expected to be spent on the new appointment. Generally, Directors are at liberty to accept other Board appointments so long as such appointments are not in conflict with the business of the Company and do not adversely affect the Director's performance as a member of the Board.

Directors' Training

The Company recognises the importance of continuous professional development and training for its Directors. The Directors are mindful of the need for continuous training to keep abreast of new developments and are encouraged to attend forums, seminars, workshops and conferences facilitated by external professionals in accordance with their respective needs in discharging their duties as Directors. All the Directors of the Company have attended and successfully completed the Mandatory Accreditation Programme prescribed under the Listing Requirements.

During the financial year ended 31 March 2014, the Directors attended training covering a broad range of areas such as taxation, financial reporting, corporate governance, and capital market as well as training organised by Bursa Securities. Mr Monteiro Gerard Clair, who spent a substantial amount of time travelling on business engagements, did not attend additional training during the financial period under review. In addition, Directors continuously receive briefings and updates on the Group's businesses and operations, risk management activities, corporate governance, finance, new developments in the business environment, new regulations and statutory requirements. The Board will continue to evaluate and determine the training needs of its Directors to enhance their skills and knowledge.

UPHOLD INTEGRITY IN FINANCIAL REPORTING

The Board acknowledges its responsibility for ensuring that the Company's and the Group's financial statements present a true and fair view of the state of affairs and are prepared in accordance with the Financial Reporting Standards in Malaysia and the provisions of the Companies Act, 1965.

The Board is also committed to providing the highest level of disclosure possible to ensure integrity and consistency of the financial reports. In preparing the financial statements, the Board considers that the Group had used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates.

The Board has established an Audit & Risk Management Committee (ARMC), comprising wholly Non-Executive Directors, the majority of whom are Independent. One of the key responsibilities of the ARMC is to ensure that the financial statements of the Company comply with the Financial Reporting Standards in Malaysia. Such financial statements comprise the quarterly financial report announced to Bursa Securities and the annual statutory financial statements.

The Board upholds the integrity of financial reporting by the Company. As such, it has established procedures, in assessing the suitability and independence of the external auditors. The ARMC undertakes an annual assessment of the suitability and independence of the external auditors in accordance with the Board's Auditor Independence Policy. Having satisfied itself with their performance and fulfillment of criteria as set out in the policy, the ARMC will recommend their re-appointment to the Board, upon which the shareholders' approval will be sought at the Annual General Meeting.

In this regard, in May 2014, the ARMC assessed the independence of Messrs BDO (BDO) as external auditors of the Company and reviewed the level of non-audit services rendered by BDO to the Company for the financial year ended 31 March 2014. The ARMC was satisfied with BDO's technical competency and audit independence.

The external auditors continue to report to members of the Company on their findings from the audit on statutory financial statements which are included as part of the Company's financial reports. The Company has always maintained a formal and transparent relationship with the external auditors in seeking their professional advice and towards ensuring compliance with the accounting standards. It is the policy of the ARMC to meet with the external auditors at least twice a year to discuss their audit plan, audit findings and the Group's financial statements. These meetings are held without the presence of the Executive Directors.

STATEMENT ON CORPORATE GOVERNANCE

A summary of the activities of the ARMC during the financial year are set out in the ARMC Report on page 34 of the Abridged Version of this Annual Report.

RECOGNISE AND MANAGE RISKS

Risk Framework

The Board acknowledges its responsibilities for setting up and maintaining an effective system in ensuring a proper risk management environment. In achieving this, the Board has ensured that the system of internal control has taken into account the process of identifying key risks, the likelihood of occurrence and materiality. The Board believes that the internal control systems and procedures provide reasonable but not absolute assurance that assets are safeguarded, transactions are authorised and recorded properly and that material errors and irregularities are either detected or minimised to prevent recurrence.

Internal Audit Function

The Company has outsourced the internal audit function to Ernst & Young Advisory Services Sdn Bhd, an independent professional firm. The outsourced internal auditor performs its functions with impartiality, proficiency and due professional care. It undertakes regular monitoring of the Group's key controls and procedures, which is an integral part of the Group's system of internal control.

The internal audit reports are presented to the ARMC for review and deliberation. The ARMC is briefed on the progress made in respect of each recommendation, and of each corrective measure taken as recommended by the audit findings. The internal auditors report directly to the ARMC to ensure independence.

Details of the Group's internal control systems and the state of internal controls are further elaborated under Risk Management and Internal Control, which has been reviewed by the Company's external auditors, provided separately on pages 29 to 32 of the Abridged Version of this Annual Report.



ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

The Board recognises the importance of communication and proper dissemination of information to its shareholders and investors. Through extensive disclosures of appropriate and relevant information, the Company aims to effectively provide shareholders and investors with information to fulfill transparency and accountability. In this respect, the Company keeps shareholders informed via announcements and timely release of quarterly financial reports, press releases, annual reports and circulars to shareholders.

Shareholders and members of the public may also obtain information on the Group's operations and activities, as well as press releases, announcements and financial information, etc. from the corporate website www.formis.net.

STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

The Annual General Meeting (AGM) and other meetings of the shareholders, including any Extraordinary General Meeting of the Company, are the principal forums for dialogue and interaction with shareholders. At such meetings, individual shareholders may raise questions or concerns with regards to the Company as a whole. Shareholders are also encouraged to participate in question and answer sessions. The Board, senior Management and relevant advisors are on hand to answer questions raised and provide clarifications as required. Where appropriate, the Board will undertake to provide written answers to any questions that cannot be readily answered at the meeting.

The Board will also ensure that each item of special business included in the notice of meeting is accompanied by a full explanation of the effects of a proposed resolution to facilitate understanding and evaluation of the issues involved.

COMPLIANCE STATEMENT

This statement on the Company's corporate governance practices is made in compliance with the Listing Requirements.

This Statement was approved by the Board of Directors on 22 July 2014.



RISK MANAGEMENT & INTERNAL CONTROL



INTRODUCTION

The Malaysian Code on Corporate Governance requires the Board of Directors (Board) to maintain a sound system of risk management and internal control to safeguard shareholders' investments and the Group's assets. This Statement on Risk Management and Internal Control is prepared in accordance with paragraph 15.26(b) of the Main Market Listing Requirements (MMLR) and Practice Note 9 of Bursa Malaysia Securities Berhad (Bursa Securities). It has been approved by the Board of Formis Resources Berhad and reviewed by the external auditors as required under paragraph 15.23 of the MMLR.

The Board is committed to maintaining a sound system of internal control and is pleased to provide the following statement in accordance to the requirement, outlining the nature and scope of internal controls of the Group.

BOARD RESPONSIBILITIES

The Board affirms its responsibilities for the Group's system of internal control, which includes the establishment of an effective control environment and appropriate internal control framework as well as the review of its adequacy and integrity. This system is designed to identify and manage risk facing the business and covers financial, organisational, operational and compliance controls to safeguard shareholders' investment and the Group's assets.

The system of internal control covers areas of corporate governance, risk management procedures, operational, financial and compliance controls as well as contingency plans, if required. The Board is aware that the control system is designed to manage, rather than eliminate the risk of failure of the Group's business objectives in view of limitations that are inherent in any system of internal control. Accordingly, this system can only provide reasonable, but not absolute assurance against material misstatement, losses or fraud.

The system of internal control mainly applies to its operating companies and does not cover associates, inactive companies and dormant companies.

SYSTEM OF INTERNAL CONTROL

Key Framework

The Group's risk management framework is constantly monitored and reviewed to ensure risks and controls are updated to reflect current situations and ensure relevance at any given time. In keeping with good governance, management takes seriously the responsibility of ensuring that the Group is always alert to any situation that might affect its assets, income and ultimately, profits. Management has also the responsibility for managing risks and setting internal controls associated with the Group's operations, ensuring compliance with applicable laws and regulations.

For the financial year under review, three (3) audit reviews over operating units were performed. The results of these reviews have been reported at the Group's quarterly Audit & Risk Management Committee (ARMC) and at Board meetings with discussion and deliberation of strategic and operational issues facing the businesses. Resolution and actions with set timelines were agreed upon to mitigate any risks identified.

Other key elements of the Group's internal control system include:

- Organised and defined management structure of the Group including areas of responsibility, segregation of authorities and limits. Discretionary authority limits and operational authorities are also clearly defined. These authority limits are in place for all subsidiaries and are subject to continuous review throughout the year.
- Clearly defined delegation of responsibilities to Board Committees and to the Management of Head Office and companies within the Group, including authorisation levels for all aspects of the businesses.
- Selected key processes of the Group clearly defined in Standard Operating Procedures that are extended to all operating units in the Group. These processes are reviewed on a regular basis to reflect changing risks and/or to resolve any operational deficiencies. It is also to promote efficiency and accountability for the Group.

RISK MANAGEMENT & INTERNAL CONTROL

- Segregation of duties to reduce the potential for error and to prevent collusion.
- Training and development programmes have been established to ensure that staff are kept up-to-date with technology in order to remain relevant and competitive in the Information Technology industry in line with achieving the Group's business objectives.
- All significant contracts and legally enforceable agreements are vetted by the Group's Legal Department.
- Monthly Group meetings are held to monitor the performance of each operating unit against budget including discussion of any significant issues with heads of operating units. Group Senior Management also reviews and discusses operational, financial and strategic issues affecting the Group with all matters arising promptly and efficiently dealt with.
- Regular departmental meetings at operating units where operational and financial issues are deliberated.
- Established strategic business plan and budgeting process where all operating units prepare budgets every year, for approval at company level, before being reviewed by the Executive Committee and/or the Board.
- Periodic reviews by the outsourced internal auditor to assess the adequacy of internal controls, integrity of financial information provided and the extent of compliance with established procedures and advising management on areas of improvement.
- Quarterly performance reports, benchmarked against budgets and objectives, are provided to directors and discussed at the ARMC and/or board meetings.
- Independent ARMC comprising non-executive members of the Board, the majority being independent directors.
- An Executive Committee of the Board implements the strategies and policies of the Group, ensures the achievement of the strategic intent of the Group, and directs and monitors performance processes within the Group.

- The Board receives timely information pertaining to the performance of the Group through quarterly Board documents as well as reports from various Committees and subsidiaries. Regular independent internal audit visits examine the Group's compliance with policy and procedures. Internal audit visits performed are risk-based and findings arising from these visits are presented, together with Management's response and proposed action plans, to the ARMC for review. Follow up visits to assess implementation of past audit findings are also carried out across the Group progressively.
- Key functions such as accounting, finance and treasury, legal, human resource and regulatory related matters are controlled centrally.

Governance Mechanism

In the last quarter of the financial year end, individual Heads of Operating Units meet with the overall business sector's Chief Operating Officer to review/discuss/revisit business objectives and strategies for the coming year business plan. Once agreed, Heads of Operating Units present their business plan for the new financial year to the Senior Management and Executive Committee for adoption and thereafter to the Board for their review and approval.

Upon approval, the business plan for the year, operational and financial budgets are then conveyed to all employees of the respective subsidiaries to execute the company's strategy for the new financial year. Senior Management will conduct a review to assess each company's progress against the budgeted business plan and financial budget.

This review provides a forum for all to raise their concerns and suggestions, for periodical monitoring of performance and for major variances to be followed up. Management recommendations are immediately adopted in the required areas. Senior Management will also, during the financial year, discuss with the respective Heads of Operating Units issues and challenges that the companies face, and advise on action plans as required.



RISK MANAGEMENT & INTERNAL CONTROL

Enterprise Risk Management Framework

The Group has in place a risk management framework which incorporates, amongst others, a structured process for identifying, evaluating and prioritising risks as well as clearly defining the risk responsibilities and escalation process of significant risks and an Enterprise Risk management (ERM) oversight framework.

The Board's primary objective and direction in managing the Group's risks are focused on the achievement of the Group's business objectives. From time to time, the framework is reviewed to ensure risks and controls are updated to reflect current situations and ensure relevance at any given time.

Risks are identified from the current risk profiles in the subsidiaries, relevant industry information and also past year findings. The Group defines risk as any event which may impact upon its objectives including economic, reputation and compliance objectives. The risk is measured in terms of likelihood and impact. The policy is to identify, evaluate and respond appropriately to risks identified so as to protect the Group from loss, uncertainty and lost opportunity.

Heads of Operating Units are requested to assess the risk profile of their operating units in the financial year under review and rate the risks according to three categories i.e. moderate, significant and high. The risk profile register is obtained from previous interviews with Directors and Senior Management of the major business units in the Group. A database of all the revisited risks and controls is then created to produce a detailed risk register for the major business units and communicated to the ARMC.

Quarterly monitoring reports are presented to the ARMC and thereafter to the Board for the required review and approvals.

Assurance Mechanism

The ARMC is empowered by the Board with responsibilities relating to the Group's accounting and reporting practices. The ARMC is also responsible for reviewing and monitoring the effectiveness and adequacy of the Group's system of internal controls and to ensure that an appropriate mix of techniques is used to obtain the level of assurance required by the Board.

The ARMC periodically receives and assesses reports from the independent assurance functions of the Group. The Internal Audit function provides the ARMC with an assessment on the adequacy and integrity of the Group's system of internal control via reports from visits conducted at various operating units.

The external auditors provide assurance in the form of their annual statutory audit of the financial statements. Areas for improvement identified during the course of the statutory audit by the external auditors are brought to the attention of the ARMC through management letters, or are articulated at the ARMC meetings.

The ARMC met with the external auditors twice during the financial year without the presence of Executive Directors.

Convening at the very minimum on a quarterly basis, the ARMC monitors and reviews the implementation of safeguards as well as the implementation and progress of any remedial action recommended to ensure that the appropriate risk management and control processes are always in place.

INTERNAL AUDIT FUNCTION

The Group has outsourced the internal audit function to a professional firm of auditors for which, during the year, a fee of RM150,000 was incurred. The internal audit function provides the ARMC and the Board with much of the assurance it requires regarding the adequacy and integrity of the system of internal control.

The Internal Auditors report to the ARMC with principal responsibility for performing regular and systematic reviews of the system of internal control, risk management and governance processes to provide reasonable assurance that the system operates satisfactorily and effectively within the respective subsidiaries as well as across the Group.

The internal audit strategy and a detailed internal audit plan are ordinarily presented to the ARMC for approval by the Internal Auditor who adopts a risk-based approach and prepares its audit strategy and plan based on the risk profiles of the major business units of the Group.

RISK MANAGEMENT & INTERNAL CONTROL

The internal audit plan has been redefined for a year following the revision of the risk profiles of the Group and also taking into consideration past audits, improvement opportunities and other key factors. Accordingly, the internal audit plan is reassessed at the end of each financial year to ensure that it remains relevant and aligned with the enlarged Group's business objectives/strategies which change in response to the dynamics of its operating environment.

COMMENTARY ON ADEQUACY AND EFFECTIVENESS

The risk management and internal control systems described above have been in place for the year under review and up to the approval of this statement for inclusion in the annual report.

In making this statement, the Board has received assurance from the Executive Directors and Chief Financial Officer that the risk management and internal control systems are operating adequately and effectively in all material aspects for the reporting.

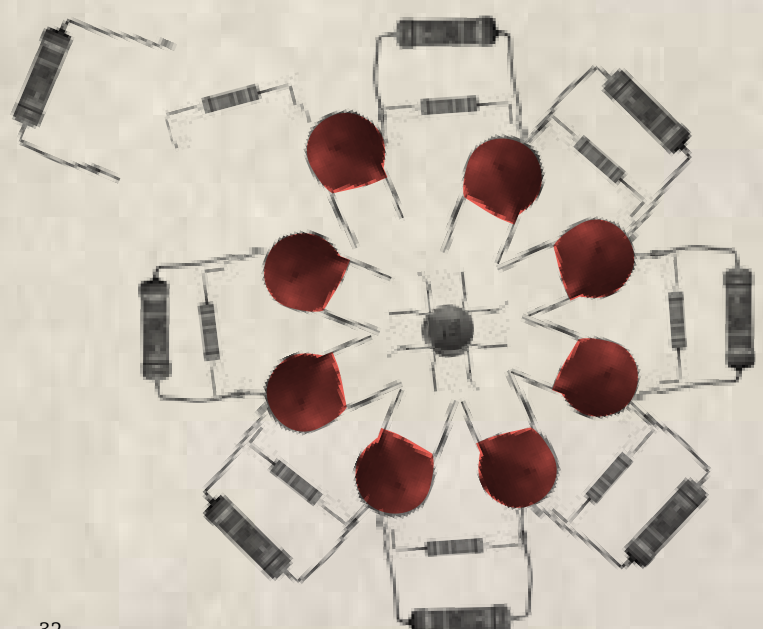
For the financial year under review, the Board is of the opinion that the above monitoring and reporting processes provide an adequate form of checks and balances as well as constitute a sufficient platform for timely and continuous identification of the Group's principal risks. These processes are adequate and sound to provide reasonable assurance in safeguarding shareholders' investments, the interests of customers, regulators and employees, the Group's assets and other stakeholders' interests as well as in addressing key risks impacting the business operations of the Group. There was no major internal control weakness identified that may result in any material loss or uncertainty that would require disclosure in the annual report. The Group will continue to take measures to strengthen the internal control and risk management environment.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Listing Requirements, the external auditors have reviewed this Statement. As set out in their terms of engagement, the said review procedures were performed in accordance with the Recommended Practice Guide 5 (Revised): Guidance For Auditors On Engagements To Report On The Statement On Risk Management and Internal Control Included In The Annual Report (RPG 5), issued by Malaysian Institute of Accountants.

RPG 5 does not require the external auditors to consider whether this Statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system. RPG 5 also does not require the external auditors to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in this Annual Report will, in fact, remedy the problems.

Based on their procedures performed, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is not prepared in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is factually inaccurate.



AUDIT & RISK MANAGEMENT COMMITTEE REPORT



The Audit & Risk Management Committee (ARMC) was established in 2003 following a merging of functions of the Group's Audit Committee and Risk Management Committee. The ARMC operates to assist the Board of Directors in ensuring the integrity of the Group's financial procedures and internal control systems. Its terms of reference have been tabled and adopted by the Board.

The ARMC comprises three (3) members, all of whom are Non-Executive Directors, with a majority being Independent Directors including the Chairman. The current composition of the ARMC is set out on page 2 of the Abridged Version of this Annual Report.

MEMBERS AND MEETINGS

During the year under review, the ARMC held a total of 5 meetings. Details of the attendance by each member at the ARMC meetings are set out below:

NAME OF COMMITTEE	ATTENDANCE OF MEETINGS
Ahmad Bin Khalid	5/5
Tai Keat Chai (Appointed on 30 June 2013)	4/4
Dato' Mah Siew Kwok (Appointed on 30 June 2013)	4/4
Boey Tak Kong (Resigned on 31 May 2013)	1/1

TERMS OF REFERENCE

In performing its duties and discharging its responsibilities, the ARMC is guided by its Terms of Reference.

RESPONSIBILITIES AND DUTIES

Key duties include:

- Consider the appointment of the External Auditors, the audit fee and any questions of resignation or dismissal;
- Discuss with the External Auditors before the audit commences, the nature and scope of audit, and ensure coordination where more than one audit firm is involved;
- Review the quarterly and year-end financial statements of the Group and the Company focusing

particularly on any changes in or implementation of major accounting policies and practices, significant adjustments arising from audit conducted, the going concern assumption and compliance with applicable approved accounting standards and other legal and regulatory requirements;

- Discuss problems and reservations arising from the interim and final audit, and any matter the Auditors may wish to discuss (in the absence of Management where necessary);
- Review the External Auditors' reports and the Management's response;
- Carry out the following with respect to the internal audit function:
 1. Review the adequacy of the scope, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;
 2. Review the internal audit programme and results of the internal audit process, and where necessary ensure that appropriate action is taken on the recommendation of the internal audit function;
 3. Review any appraisal or assessment of the performance of members of the internal audit function;
 4. Approve any appointment or termination of senior staff members responsible for the internal audit function and to provide the opportunity for the resigning staff member to submit his or her reasons for resigning. In the event where the internal audit function is outsourced, to approve the appointment and termination of the third party service provider; and
 5. Ensure coordination between the Internal and External Auditors.
- Consider any related party transactions and conflict of interest situations that may arise within the Company or the Group including any transactions, procedures or course of conduct that raises questions on the integrity of the Management (if any);

AUDIT & RISK MANAGEMENT COMMITTEE REPORT

- Consider the major findings of internal investigations and the Management's responses;
- Report to the Board its activities, significant results and findings;
- Promptly report to Bursa Malaysia Securities Berhad (Bursa Securities) on matters reported by it to the Board that have not been satisfactorily resolved resulting in a breach of the Listing Requirements of Bursa Securities; and
- Consider other topics as defined by the Board.

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR UNDER REVIEW

- Reviewed and recommended the quarterly financial results and the annual audited financial statements of the Company and the Group to the Board for consideration and approval;
- Reviewed the Internal and External Auditors' scope of work and annual audit plans for the Group;
- Reviewed and recommended the appointment of the External Auditors, Messrs BDO, to the Board for consideration;
- Reviewed with the External Auditors the scope of work, audit plan and fees for the statutory audit and thereafter recommended them to the Board for approval;
- Reviewed the status report and recommendations for corrective action plans submitted by the Internal Auditors and received regular updates on the implementation by the Group;
- Reviewed related party transactions entered within the Company or the Group, including any transaction, procedure or course of conduct that raises questions of Management integrity;
- Reviewed with the External Auditors and the Internal Auditors issues affecting the operations of the Group as well as the necessary remedial actions and thereafter reported the same to the Board; and
- Reported to the Board on its activities and any significant issues and results.

STATEMENT VERIFYING ALLOCATION OF SHARE OPTIONS PURSUANT TO THE LONG-TERM INCENTIVE PLAN (LTIP)

The ARMC has reviewed and verified that the allocation of share options pursuant to the LTIP for the financial year ended 31 March 2014 had been made in accordance with the eligibility and entitlement criteria determined by the LTIP Committee and the share options have been granted in accordance with the By-Laws of the Company's LTIP.

INTERNAL AUDIT FUNCTION

The Group outsourced its internal audit function to Ernst & Young Advisory Services Sdn Bhd, a professional firm of auditors, and the selected internal audit team is independent of the activities audited by them and the External Auditors.

The principal responsibility of the internal audit function is to evaluate the effectiveness of risk management, control and governance processes. The Internal Auditors undertake internal audit based on the audit plan that is reviewed and approved by the ARMC. They report directly to the ARMC.

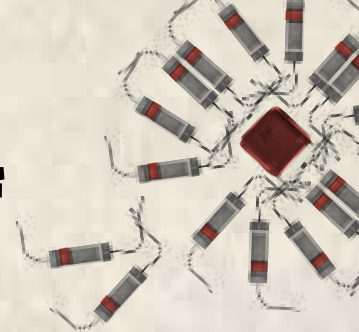
During the financial year ended 31 March 2014, the Internal Auditor conducted the internal control reviews on certain operating subsidiaries' functions and procedures and recommended action plans for improvement by the Management. The final audit reports containing audit findings and recommendations together with the Management's responses thereto were circulated to all members of the ARMC.

Areas of improvement identified were communicated to the Management for further action. All internal audit reports were reviewed and discussed at the ARMC meetings. Follow-up reviews will subsequently be performed to ascertain the extent of implementation of the recommended corrective action for improvements. The ARMC continuously monitors the state of internal control of the Group and reports to the Board on a regular basis.

Further details of the Group Audit function are set out in Risk Management and Internal Control on pages 29 to 32 of the Abridged Version of this Annual Report.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2014



	NOTE	31.03.2014 RM	GROUP 31.03.2013 RM	01.04.2012 RM
ASSETS				
Non-current assets				
Property, plant and equipment	7	18,745,079	8,753,889	3,844,039
Investments in associates	9	64,596,610	34,074,192	19,208,870
Other intangible assets	10	26,282,150	-	1,752,206
Other investments	11	18,804,696	2,012,986	2,076,195
Investment property	12	-	32,265	32,265
Other receivables, deposits and prepayments	13	14,709,605	14,142,696	13,055,516
Goodwill	14	79,278,084	63,348,567	104,480,765
Deferred tax assets	15	780,704	564,013	858,358
		223,196,928	122,928,608	145,308,214
Current assets				
Other investments	11	16,617,689	6,383,710	10,754,074
Inventories	16	26,754,226	18,024,862	14,378,033
Trade receivables	17	79,301,839	65,648,650	82,629,606
Other receivables, deposits and prepayments	13	63,425,099	71,175,039	56,160,587
Amount owing by an associate	19	-	414,163	-
Current tax assets		4,297,244	2,114,778	2,361,815
Cash and cash equivalents	20	67,346,931	67,577,802	61,262,039
		257,743,028	231,339,004	227,546,154
Assets of disposal groups classified as held for sale		-	-	3,500,000
TOTAL ASSETS		480,939,956	354,267,612	376,354,368
EQUITY AND LIABILITIES				
Equity attributable to owners of the parent				
Share capital	21	193,692,587	92,950,099	185,900,199
Reserves	22	54,224,916	35,016,484	10,030,397
Retained earnings/(Accumulated losses)	22	9,059,387	11,350,068	(17,151,656)
		256,976,890	139,316,651	178,778,940
Non-controlling interests		23,766,517	17,737,146	15,002,668
TOTAL EQUITY		280,743,407	157,053,797	193,781,608
LIABILITIES				
Non-current liabilities				
Borrowings	23	14,587,482	12,691,080	14,222,803
Provision for post-employment benefits	33	1,210,332	190,739	87,345
Deferred tax liabilities	15	1,023,822	235,846	767,363
		16,821,636	13,117,665	15,077,511
Current liabilities				
Trade payables	26	33,655,828	18,019,367	22,649,232
Other payables, deposits and accruals	27	71,881,493	66,838,778	63,913,161
Borrowings	23	77,804,520	98,289,700	76,658,538
Current tax payable		33,072	948,305	774,318
		183,374,913	184,096,150	163,995,249
Liabilities of disposal groups classified as held for sale		-	-	3,500,000
TOTAL LIABILITIES		200,196,549	197,213,815	182,572,760
TOTAL EQUITY AND LIABILITIES		480,939,956	354,267,612	376,354,368



STATEMENTS OF FINANCIAL POSITION

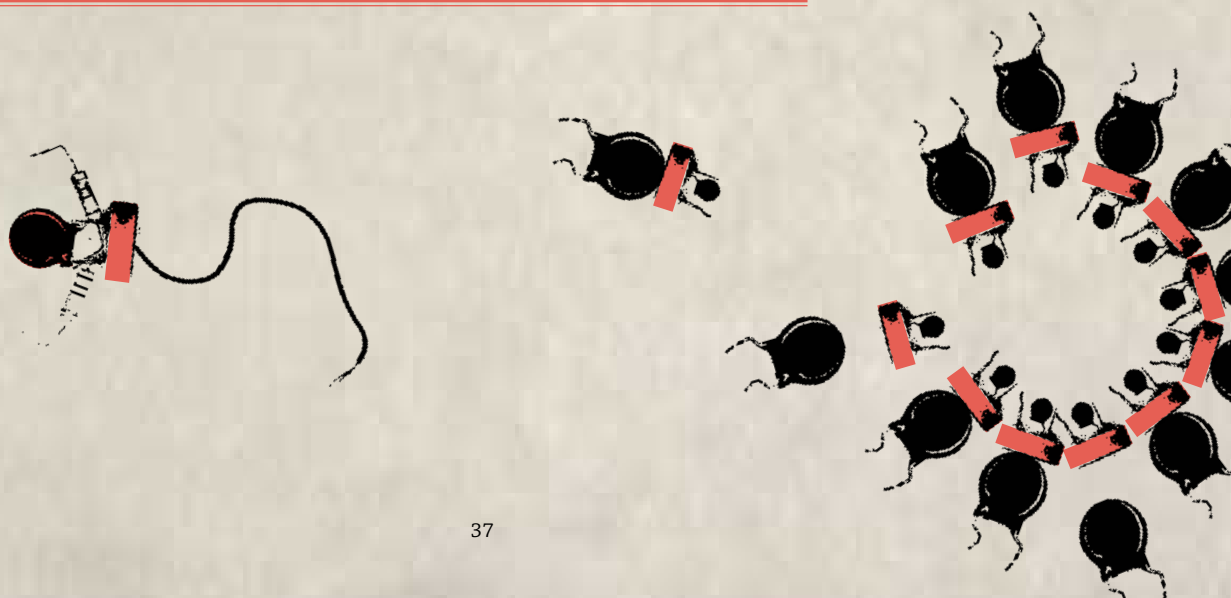
AS AT 31 MARCH 2014 (continued)

	NOTE	31.03.2014 RM	COMPANY 31.03.2013 RM	01.04.2012 RM
ASSETS				
Non-current assets				
Property, plant and equipment	7	1,184,578	308,132	395,154
Investments in subsidiaries	8	180,722,229	180,662,229	211,070,774
Investments in associates	9	19,178,588	-	-
Other investments	11	3,076,467	-	-
Deferred tax assets	15	124,332	52,400	-
		204,286,194	181,022,761	211,465,928
Current assets				
Other receivables, deposits and prepayments	13	14,953,368	20,251,157	29,356,825
Amounts owing by subsidiaries	18	65,238,351	1,208,973	2,440,240
Current tax assets		398,621	510,121	584,575
Cash and cash equivalents	20	533,187	15,098,965	203,049
		81,123,527	37,069,216	32,584,689
TOTAL ASSETS		285,409,721	218,091,977	244,050,617
EQUITY AND LIABILITIES				
Equity attributable to owners of the parent				
Share capital	21	193,692,587	92,950,099	185,900,199
Reserves	22	54,552,680	34,407,542	9,744,296
Accumulated losses	22	(22,842,265)	(361,433)	(29,690,027)
		225,403,002	126,996,208	165,954,468
TOTAL EQUITY		225,403,002	126,996,208	165,954,468
LIABILITIES				
Non-current liabilities				
Borrowings	23	73,764	137,551	197,207
Deferred tax liabilities	15	-	-	16,202
		73,764	137,551	213,409
Current liabilities				
Other payables, deposits and accruals	27	2,460,311	1,051,388	584,570
Amounts owing to subsidiaries	18	57,408,857	59,863,538	42,693,267
Borrowings	23	63,787	30,043,292	34,604,903
		59,932,955	90,958,218	77,882,740
TOTAL LIABILITIES		60,006,719	91,095,769	78,096,149
TOTAL EQUITY AND LIABILITIES		285,409,721	218,091,977	244,050,617

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

	NOTE	GROUP		COMPANY	
		2014 RM	2013 RM	2014 RM	2013 RM
Revenue	29	352,285,962	338,633,154	2,712,000	2,906,000
Changes in inventories		9,893,883	4,096,774	-	-
Purchases		(256,230,455)	(262,453,025)	-	-
Direct expenses		(4,478,424)	(4,463,989)	-	-
Other operating income		41,510,420	12,354,032	687,022	327,004
Depreciation and amortisation expenses		(5,482,829)	(2,797,824)	(264,772)	(96,891)
Employee benefits	34	(70,905,643)	(47,285,654)	(9,256,388)	(3,040,663)
Other operating expenses		(29,153,119)	(62,790,917)	(4,937,583)	(36,626,841)
Finance costs		(6,591,718)	(6,907,584)	(437,731)	(2,479,590)
Share of profit/(loss) of associates		3,529,544	(563,448)	-	-
Profit/(Loss) before tax	30	34,377,621	(32,178,481)	(11,497,452)	(39,010,981)
Tax (expense)/income	31	(3,449,188)	(4,657,327)	323,998	52,721
Profit/(Loss) for the financial year		30,928,433	(36,835,808)	(11,173,454)	(38,958,260)
Other comprehensive income/(loss), net of tax					
Items that may be reclassified subsequently to profit or loss					
Foreign currency translations for foreign operations, net of tax		16,885	314,404	-	-
Share of other comprehensive (loss)/income of associates, net of tax		(1,171,609)	24,970	-	-
Total other comprehensive (loss)/income		(1,154,724)	339,374	-	-
Total comprehensive income/(loss)		29,773,709	(36,496,434)	(11,173,454)	(38,958,260)
Profit/(loss) attributable to:					
Owners of the parent		30,130,088	(40,155,207)	(11,173,454)	(38,958,260)
Non-controlling interests		798,345	3,319,399	-	-
		30,928,433	(36,835,808)	(11,173,454)	(38,958,260)
Total comprehensive income/(loss) attributable to:					
Owners of the parent		29,193,382	(39,832,366)	(11,173,454)	(38,958,260)
Non-controlling interests		580,327	3,335,932	-	-
		29,773,709	(36,496,434)	(11,173,454)	(38,958,260)
Earnings/(Loss) per ordinary share attributable to owners of the parent:					
Basic (sen)	32	8.84	(21.60)		
Diluted (sen)	32	8.20	(21.60)		



STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

	NOTE	GROUP		COMPANY	
		2014 RM	2013 RM	2014 RM	2013 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(Loss) before tax		34,377,621	(32,178,481)	(11,497,452)	(39,010,981)
Adjustments for:					
Amortisation of:					
– MUNIF transaction costs		-	93,136	-	93,136
– software development costs	10	2,284,039	600,756	-	-
– license agreement	10	479,662	-	-	-
Bad debts written off		119,983	250,494	-	-
Depreciation of property, plant and equipment	7	2,719,128	2,197,068	264,772	96,891
Dividend income from other investments		(1,304,390)	(89,649)	-	-
Equity settled share-based payment expense		3,078,280	-	2,267,532	-
Gain on dilution of equity interest in associates		(13,431,591)	-	-	-
Net gain on fair value adjustments on other investments	11	(13,977,714)	(83,051)	-	-
Net gain on re-measurement arising on a business combination achieved in stages		(4,163,200)	(365,518)	-	-
Net (gain)/ loss on disposal of:					
– other investments		-	484,810	-	-
– property, plant and equipment		(14,000)	106,465	-	-
Impairment losses on:					
– amounts owing by subsidiaries		-	-	-	2,051,726
– goodwill	14	650,000	42,285,779	-	-
– investments in subsidiaries	8	-	-	-	30,408,547
– investment property	12	32,265	-	-	-
– trade receivables	17	685,512	1,058,544	-	-
– other receivables		-	1,900	-	-
Interest expense		6,127,800	6,463,537	434,599	2,384,684
Interest income		(1,535,707)	(1,385,450)	(230,152)	(145,742)
Inventories written down		39,517	34,828	-	-
Inventories written off		1,218,093	491,708	-	-
Inventories written down no longer required		-	(76,591)	-	-
Property, plant and equipment written off	7	534,878	172,200	-	-
Provision for post-employment benefits	33	1,042,804	93,765	-	-
Share of (profit)/loss of associates		(3,529,544)	563,448	-	-
Software development costs written off	10	-	1,151,450	-	-
Reversal of impairment loss on:					
– property, plant and equipment	7	(109,346)	(765,421)	-	-
– trade receivables	17	(836,562)	(1,336,385)	-	-
– amounts owing by subsidiaries		-	-	(302,001)	-
Net unrealised loss on foreign currency exchange		836,034	290,587	-	-
Unwinding of discount on trade receivables		-	(188,108)	-	-
Waiver of debts		-	(93,345)	-	-
Operating profit/(loss) before changes in working capital		15,323,562	19,778,476	(9,062,702)	(4,121,739)
Increase in inventories		(9,971,177)	(4,096,774)	-	-
(Increase)/Decrease in trade receivables		(7,934,620)	17,658,733	-	-
Decrease/(Increase) in other receivables, deposits and prepayments		9,592,769	(15,714,149)	5,297,788	105,668
Decrease/(Increase) in amount owing by associate		414,163	(414,163)	-	-
Net (decrease)/increase in amounts owing to subsidiaries		-	-	(65,189,155)	16,349,812

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014 (continued)

	NOTE	2014 RM	GROUP 2013 RM	2014 RM	COMPANY 2013 RM
CASH FLOWS FROM OPERATING ACTIVITIES (continued)					
Increase/(Decrease) in trade payables		12,474,929	(5,332,436)	-	-
(Decrease)/Increase in other payables, deposits and accruals		(3,607,788)	2,845,251	1,408,924	466,818
Cash generated from/(used in) operations		16,291,838	14,724,938	(67,545,145)	12,800,559
Tax paid		(6,863,086)	(5,120,914)	(8,497)	(120,000)
Tax refunded		1,058,365	648,612	120,000	178,573
Net cash from/(used in) operating activities		10,487,117	10,252,636	(67,433,642)	12,859,132
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of associates		(40,579,140)	(15,528,248)	(19,178,588)	-
Acquisition of subsidiaries, net of cash acquired	36	(11,904,372)	(1,096,008)	-	(2)
Acquisition of additional interest in subsidiary		-	-	(60,000)	-
Acquisition of non-controlling interests		(36,396,244)	(315,219)	-	-
Addition of software development	10	(2,002,236)	-	-	-
Disposal of subsidiary, net of cash		6	-	-	-
Dividends received					
– other investments		90,561	88,646	-	-
– an associate		2,384,438	389,966	-	-
– a subsidiary		-	-	-	9,000,000
Interest received		1,535,707	1,385,450	230,152	145,742
Placement of deposits pledged to licensed banks		7,947,781	(13,372,548)	15,000,000	(15,000,000)
Proceeds from disposal of other investments		9,352,535	4,031,814	-	-
Proceeds from disposal of property, plant and equipment		145,534	256,394	2,405	-
Purchase of other investments		(4,096,467)	-	(3,076,466)	-
Purchase of property, plant and equipment	7(a)	(5,446,028)	(2,756,970)	(1,143,624)	(9,869)
Net cash used in investing activities		(78,967,925)	(26,916,723)	(8,226,121)	(5,864,129)
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividend paid to NCI of the subsidiary		(946,472)	-	-	-
Ordinary share capital contributed by non-controlling interests of a subsidiary		102,034	-	-	-
Net drawdown/(Repayments) of:					
– bankers' acceptance, trust receipts and term loans		13,122,538	18,997,294	-	-
– hire purchase and lease creditors		(3,781,955)	41,711	(59,656)	(55,525)
– MUNIF Notes		-	(34,642,514)	-	(34,642,514)
Interest paid		(6,127,800)	(6,463,537)	(434,599)	(2,384,684)
Proceeds from issue of shares pursuant to Rights Issue	21	83,142,488	-	83,142,488	-
Proceeds from issue of shares pursuant to Private Placement	21	23,429,388	-	23,429,388	-
Net cash from/(used in) financing activities		108,940,221	(22,067,046)	106,077,621	(37,082,723)
Net increase/(decrease) in cash and cash equivalents		40,459,413	(38,731,133)	30,417,858	(30,087,720)
Cash and cash equivalents at beginning of financial year					
As previously reported		(3,475,658)	35,331,940	(29,884,671)	203,049
Effect of changes in exchange rates		413,488	(76,465)	-	-
		(3,062,170)	35,255,475	(29,884,671)	203,049
Cash and cash equivalents at end of financial year	20(c)	37,397,243	(3,475,658)	533,187	(29,884,671)

CONTACT DETAILS OF SUBSIDIARIES

APPLIED BUSINESS SYSTEMS

SDN BHD (Co No 188269-D)
10th & 13th Floor, Menara SMI,
6 Lorong P Ramlee,
50250 Kuala Lumpur, Malaysia.
Tel: +603 2078 2288/2781 0888
Fax: +603 2078 5496

BANCORE ASIA PTE LTD

(Co No 201329299Z)

ISS CONSULTING (S) PTE LTD

(Co No 199805226N)

51 Cuppage Road, #07-04,
Singapore 229469.
Tel: +65 6887 3418/6325 2735
Fax: +65 6887 3581

CA IT INFRASTRUCTURE

SOLUTIONS SDN BHD

(Co No 972041-X)
L15-01-02, PJX-HM Shah Tower,
No 16A, Persiaran Barat,
46050 Petaling Jaya,
Selangor Darul Ehsan, Malaysia.
Tel: +603 7493 2060
Fax: +603 7493 2073

CONTINUOUS NETWORK

ADVISERS SDN BHD

(Co No 367357-K)
FORMIS DEVELOPMENT SDN BHD
(Co No 510513-H)

YAKIMBI ICT SDN BHD

(Co No 951043-T)
**OMESTI INNOVATION LAB
(MALAYSIA) SDN BHD** (formerly known
as Formis Software Dynamics Sdn Bhd)
(Co No 486609-V)
3.02 C (East Wing), Level 3, Menara BRDB,
285, Jalan Maarof, Bukit Bandaraya,
59000 Kuala Lumpur, Malaysia.
Tel: +603 2721 4920
Fax: +603 2283 4921

CONTINUOUS NETWORK

SERVICES SDN BHD

(Co No 495072-P)

FORMIS COMPUTER

SERVICES SDN BHD

(Co No 112344-P)

FORMIS RESEARCH & DEVELOPMENT

SDN BHD

(Co No 1031746-T)

FORMIS SOFTWARE &

TECHNOLOGIES SDN BHD

(Co No 22962-U)

ISS CONSULTING (MALAYSIA)

SDN BHD

(Co No 446809-P)

MYATM SDN BHD

(Co No 918073-H)

NOSTALGIC PROPERTIES SDN BHD

(Co No 330351-M)

16th Floor, KH Tower, 8 Lorong P Ramlee,
50250 Kuala Lumpur, Malaysia.
Tel: +603 2078 4488
Fax: +603 2070 6893

DIVERSIFIED GATEWAY

SOLUTIONS BERHAD

(Co No 675362-P)

DIVERSIFIED GATEWAY BERHAD

(Co No 301306-T)

RANGKAIAN RINGKAS SDN BHD

(Co No 1013227-M)

Level 16, Menara Maxisegar,
Jalan Pandan Indah 4/2, Pandan Indah,
55100 Kuala Lumpur, Malaysia.
Tel: +603 4291 9233
Fax: +603 4291 7633

FIBER AT HOME CITY NETWORKS

SDN BHD

(Co No 736932-U)
No 36 & 36A, Jalan BLM 1/4,
Laguna Merbok Business Park,
Bandar Laguna Merbok,
08000 Sungai Petani,
Kedah Darul Aman, Malaysia.
Tel: +604 448 7888
Fax: +604 448 7889

FIRST SOLUTION SDN BHD

(Co No 398017-P)

8th & 10th Floor, Menara SMI,
6 Lorong P Ramlee,
50250 Kuala Lumpur, Malaysia.
Tel: +603 2026 7818
Fax: +603 2026 1881

FORMIS ADVANCED SYSTEMS

SDN BHD

(Co No 348596-K)
No 20-2, Jalan Molek 1/31, Taman Molek,
81100 Johor Bahru, Johor, Malaysia.
Tel: +607 351 7786
Fax: +607 352 7786

FORMIS NETWORK SERVICES

SDN BHD

(Co No 188270-U)
6th, 7th & 10th Floor, Menara SMI,
6 Lorong P Ramlee,
50250 Kuala Lumpur, Malaysia.
Tel: +603 2032 2633
Fax: +603 2732 1310

FORMIS SYSTEMS & TECHNOLOGY

SDN BHD

(Co No 312258-W)
7th & 10th Floor, Menara SMI,
6 Lorong P Ramlee,
50250 Kuala Lumpur, Malaysia.
Tel: +603 2070 3388
Fax: +603 2070 8988

ISS CONSULTING (THAILAND) LTD

(Co No (5) 1662/2542)

323 United Center Building,
Level 19, Unit 1902C & 1903A,
Silom Road,
Bangrak Bangkok 10500, Thailand.
Tel: +662 237 0553
Fax: +662 237 0554

MICROLINK SOLUTIONS BERHAD

(Co No 620782-P)

Headquarters:

6th Floor, Menara Atlan,
161B, Jalan Ampang,
50450 Kuala Lumpur, Malaysia.
Tel: +603 2171 2200
Fax: +603 2171 2240

Branch office:

No 12, Pusat Pedada, Jalan Pedada,
96000 Sibu, Sarawak, Malaysia.
Tel: +6084 344 801/333 921/333 929
Fax: +6084 333 950

R&D Centre:

Unit No 5-8, The Boulevard,
Mid Valley City, Lingkaran Syed Putra,
59200 Kuala Lumpur, Malaysia.
Tel: +603 2282 2839
Fax: +603 2282 2814

CSA SERVIS (M) SDN BHD

(Co No 232732-T)

MICROLINK INNOVATION SDN BHD

(Co No 839837-A)

MICROLINK SOFTWARE SDN BHD

(Co No 824378-V)

MICROLINK SYSTEMS SDN BHD

(Co No 309131-H)

MICROLINK WORLDWIDE SDN BHD

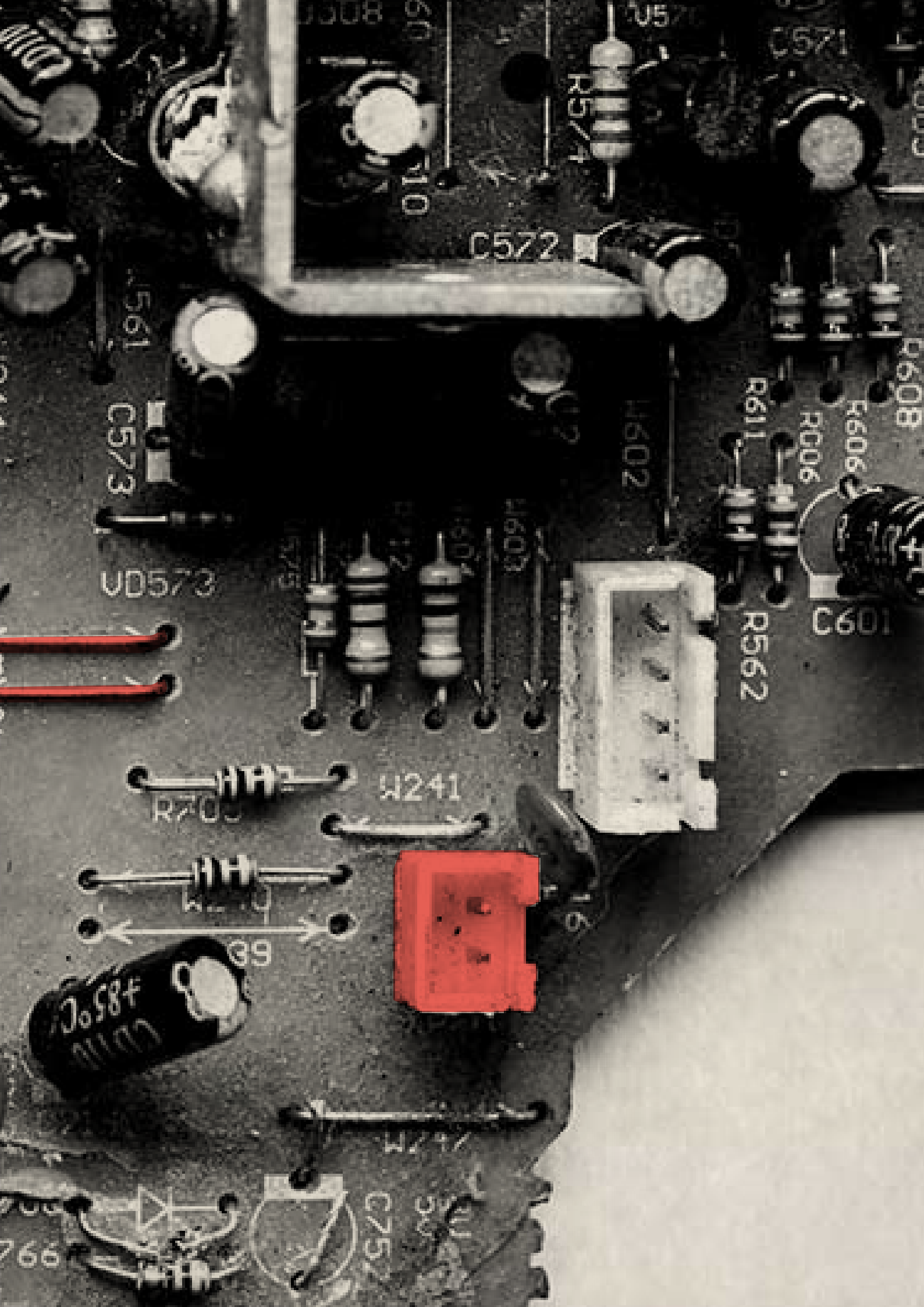
(Co No 533535-X)

6th Floor, Menara Atlan,
161B, Jalan Ampang,
50450 Kuala Lumpur, Malaysia.
Tel: +603 2171 2200
Fax: +603 2171 2240

PT MICROLINK INDONESIA

Menara Prima 26th Floor,
Jl. Lingkar Mega Kuningan Blok E 6.2,
Jakarta Selatan 12950, Indonesia.
Tel: +62 21 5794 8085
Fax: +62 21 5794 8086





C571

R574

C572

W10

W561

C573

U573

R608
R606
R606
R606

R511

W602

W603

C601

R562

W241

R700

W241

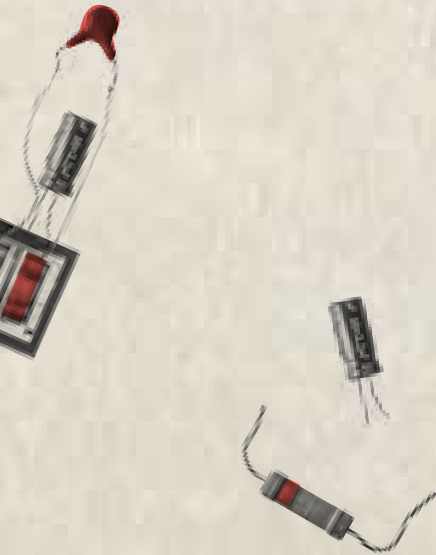
W39

4858F

W277

C75

W66



FORMIS RESOURCES BERHAD
(530701-T)

16th Floor, KH Tower
8 Lorong P. Ramlee
50250 Kuala Lumpur
Tel: +603 2078 4488
Fax: +603 2070 6893

www.formis.net