

FORMIS (MALAYSIA) BERHAD
Additional information required by KLSE Listing Requirements
For the period ended 31 December 2002

1 Review of performance

The revenue of the Group for the quarter ending 31 December 2002 increased by RM1.4 million compared to the previous year's corresponding quarter. However, the revenue for the 9 month period ended 31 December 2002 of RM116.4 million is lower than the previous year's corresponding period of RM132.2 million. Profit before taxation for the quarter and period ended 31 December 2002 have decreased by RM1.1 million and RM13.5 million respectively. The decrease in revenue and profit before taxation is due to weak economic conditions locally and in the Asia Pacific region.

2 Variation of results against preceeding quarter

	Quarter ended 31.12.2002 RM'000	Quarter ended 30.9.2002 RM'000
Profit/(loss) before taxation	4,610	6,636

The profit before taxation for the current quarter is lower than the preceeding quarter is mainly due to the reversal of provision for goodwill of RM0.9 million and provision for diminution in value of RM3 million in the preceeding quarter.

For comparison purposes, the profit before tax (excluding the reversal of provision for goodwill and diminution in value) for the current quarter and preceeding quarter are as follows:

	Quarter ended 31.12.2002 RM'000	Quarter ended 30.9.2002 RM'000
Profit/(loss) before taxation	4,610	6,636
Adjustments for provision for goodwill and diminution in value	-	(3,959)
Restated	4,610	2,677

The increase in the profit before taxation is mainly due to an increase in revenue from RM38.1 million in the preceeding quarter to RM50.4 million in the current quarter.

3 Current year prospects

Based on current economic outlook, the Board of Directors expects the Group's result for the financial year ending 31 March 2003 to be satisfactory. The Group shall continue to focus on the information technology sector as its core business and look for new business opportunities.

4 Profit forecast

Not applicable.

5 Taxation

	3 months ended		9 months ended	
	31.12.2002	31.12.2001	31.12.2002	31.12.2001
	RM'000	RM'000	RM'000	RM'000
Malaysian taxation				
- current	1,671	1,837	4,383	6,673
- prior period	-	5	-	259
	<u>1,671</u>	<u>1,842</u>	<u>4,383</u>	<u>6,932</u>
Overseas taxation				
- current	-	12	-	42
- prior period	-	-	(625)	-
	<u>-</u>	<u>12</u>	<u>(625)</u>	<u>42</u>
Deferred taxation				
- Malaysian	-	-	145	230
- Overseas	-	-	-	-
	<u>-</u>	<u>-</u>	<u>145</u>	<u>230</u>
Associate company				
- current	-	81	-	169
- prior period	-	-	4	-
	<u>-</u>	<u>81</u>	<u>4</u>	<u>169</u>
	<u>1,671</u>	<u>1,935</u>	<u>3,907</u>	<u>7,373</u>

The Group's effective tax rate for the current quarter and 9 month period ended 31 December 2002 is higher than the statutory tax rate as the tax charge relates to tax on profit of certain subsidiaries which cannot be set-off against losses of other subsidiaries for tax purposes as group relief is not available.

6 Unquoted investments and properties

There were no sale of unquoted investments and properties during the period under review.

7 Quoted investments

	3 months	9 months
	ended	ended
	31.12.2002	31.12.2002
	RM'000	RM'000
Purchase of quoted investments	-	4,475
Disposal of quoted investments	-	-
Gain/(loss) on disposal of quoted investment	-	-
		<u>RM'000</u>
At cost		12,952
At book value		11,669
At market value		<u>7,155</u>

8 Status of corporate proposals

There were no corporate proposals at the date of this report.

9 Borrowings and debts securities

The Group's bank borrowings are as follows:

	As at
	31.12.2002
	RM'000
Current	
Unsecured	<u>13,175</u>
Non current	
Unsecured	<u>14,043</u>

10 Off balance sheet financial instruments

Pursuant to an agreement dated 11 November 1996, Formis Holdings Berhad ("FHB"), a wholly owned subsidiary company, entered into a sale and option agreement with Corak Gelombang Sdn Bhd ("CGSB") which grants FHB the right to exercise a call option to acquire the remaining 30% equity interest in a subsidiary company, Diversified Gateway Sdn Bhd ("DGSB"), at 2.5 times the net tangible assets per share of DGSB. The agreement also grants CGSB a right to exercise a put option which requires FHB to purchase the remaining 30% equity interest in DGSB in an event of a change in substantial shareholders of Formis (Malaysia) Berhad.

Other than the above, Group and the Company have not entered into any contract and/or agreement involving off balance sheet financial instruments during the period under review.

11 Changes in material litigation

There has been no changes in the status of material litigation during the period under review.

12 Dividends

No dividends has been recommended during the period under review.

13 Earnings per share

(a) Basic earnings per share

	3 months ended 31.12.2002	9 months ended 31.12.2002
Net profit for the period (RM'000)	2,515	1,395
Weighted average number of ordinary shares in issue ('000)	114,906	114,906
Basic earnings per share (sen)	<u>2.19</u>	<u>1.21</u>

(b) Diluted earnings per share

	3 months ended 31.12.2002 RM'000	9 months ended 31.12.2002 RM'000
Net profit for the period	2,515	1,395
Savings on interest expense, net of tax, on conversion of ICULS	159	474
Interest income deemed to be received, net of tax, based on cash proceeds from conversion from ICULS	63	190
	<u>2,737</u>	<u>2,059</u>
Weighted average number of ordinary shares in issue ('000)	114,906	114,906
Adjustment for conversion of ICULS ('000)	29,150	29,150
	<u>144,056</u>	<u>144,056</u>
Diluted earnings per share (sen)	<u>1.90</u>	<u>1.43</u>