

**FORMIS (MALAYSIA) BERHAD**  
**Notes to the Interim Financial Report**  
**For the period ended 31 December 2002**

**1 Basis of preparation**

The interim financial report is unaudited and has been prepared in compliance with MASB 26 - Interim Financial Reporting.

The interim financial report should be read in conjunction with the annual audited financial statements of the Group for the year ended 31 March 2002.

The accounting policies and presentation adopted for the interim financial report are consistent with those adopted for the annual financial statements for the year ended 31 March 2002 except for the following:

(a) Prospective application

The following new MASB Standards have been applied prospectively from 1 April 2002:

- MASB 23 - Impairment of Assets
- MASB 24 - Financial Instruments : Disclosure and Presentation

(b) Retrospective application

Comparative figures have been adjusted or extended to conform with changes in presentation due to the requirement of the following new MASB standards that have been applied retrospectively:

- MASB 19 - Events After Balance Sheet Date
- MASB 22 - Segment Reporting

There are no changes in the accounting policy that affect net profit for the period or shareholders' equity as a result of the adoption of these standards in the interim financial report except as follow:

(a) Dividends

The Group has changed its accounting policy to recognise dividends in shareholders' equity in the period in which the obligation to pay is established in accordance with MASB 19. The final dividends proposed in the year ended 31 March 2002 was approved by the shareholders at the Annual General Meeting on 21 September 2002 and was subsequently paid on 21 October 2002 .

The effect of the change has been disclosed in the condensed statement of changes in equity.

**2 Qualification**

The financial statements for the year ended 31 March 2002 were not subject to any audit qualification.

**3 Seasonal and cyclical factors**

The business of the Group was not affected by any significant seasonal and cyclical factors during the period under review.

**4 Significant items**

Significant item(s) for the quarter ended 31 December 2002 is/are as follows:

	<b>RM'000</b>
Goodwill arising from the acquisition of 63,000 shares of RM1.00 each in Diversified Gateway Sdn Bhd ("DGSB") from Corak Gelombang Sdn Bhd ("CGSB"). Accordingly, the effective interest of the Group in DGSB increase from 60% to 70%.	1,860
Pre-acquisition profit arising from the acquisition of 63,000 shares of RM1.00 each in DGSB from CGSB.	(615)

**5 Debt and equity securities**

There were no issuances, cancellations, repurchases, resale and repayment of debts and equity securities during the period under review.

**6 Dividends paid**

<b>9 months ended 31.12.2002</b>		<b>9 months ended 31.12.2001</b>	
<b>Gross dividend per share</b>	<b>Amount of dividend net 28% tax</b>	<b>Gross dividend per share</b>	<b>Amount of dividend net 28% tax</b>
<b>Sen</b>	<b>RM'000</b>	<b>Sen</b>	<b>RM'000</b>

Final dividends approved by shareholder in respect of the year ended 31 March 2002, paid on 21 October 2002 (2001 : paid on 19 November 2001)

3                      2,482                      3                      2,482

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## 7 Segmental reporting

	Network	Systems	Distribution	Garment retailing	Others	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
9 months ended 31 December 2002							
External sales	23,576	57,731	15,185	10,887	9,023	-	116,402
Inter segment sales	8,367	3,591	133	-	1,797	(13,888)	-
Total sales	<u>31,943</u>	<u>61,322</u>	<u>15,318</u>	<u>10,887</u>	<u>10,820</u>	<u>(13,888)</u>	<u>116,402</u>
Segment results	11,014	1,760	161	(1,641)	(2,421)	1,008	9,881
Net financing cost							(906)
Share of profits in associate company							(790)
Profit before taxation							<u>8,185</u>

	Network	Systems	Distribution	Garment retailing	Others	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
9 months ended 31 December 2001							
External sales	30,530	70,735	7,491	12,632	10,808	-	132,196
Inter segment sales	5,456	2,946	-	-	2,341	(10,743)	-
Total sales	<u>35,986</u>	<u>73,681</u>	<u>7,491</u>	<u>12,632</u>	<u>13,149</u>	<u>(10,743)</u>	<u>132,196</u>
Segment results	13,532	7,597	154	(2,076)	3,368	(82)	22,493
Net financing cost							(1,426)
Share of profits in associate company							605
Profit before taxation							<u>21,672</u>

## 8 Carrying amount of revalued assets

### (a) Property, plant and equipment

The carrying value of the freehold land and buildings is based on valuation incorporated in the annual financial statements for the year ended 31 March 2002.

### (b) Investment property

The carrying value of the investment property is based on historical cost incorporated in the annual financial statements for the year ended 31 March 2002 as the investment property has not been fully constructed.

## 9 Subsequent events

There were no material events subsequent to the end of the interim period which have not been reflected in the interim financial statements.

## 10 Changes in the composition of the company

There were no changes in the composition of the company during the period.

## 11 Changes in contingent liabilities

During the period, the corporate guarantees given to financial institutions for leasing facilities granted to a subsidiary company increased from RM0.9 million to RM1.5 million.

## 12 Capital commitment

### (a) Property, plant and equipment

Approved but not provided for

**RM'000**

2,018