

**COMPUTER FORMS (MALAYSIA) BHD**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2016**  
(The figures are unaudited)

	FY 2017 Current Qtr Ended 30 Sep 16	FY 2016 Current Qtr Ended 30 Sep 15	FY 2017 Current 6 months Cumulative to 30 Sep 16 (RM'000)	FY 2016 Current 6 months Cumulative to 30 Sep 15 (RM'000)
	<u>(RM'000)</u>	<u>(RM'000)</u>	<u>(RM'000)</u>	<u>(RM'000)</u>
<b>Continuing Operations:</b>				
Revenue	9,791	9,525	19,702	19,023
Cost of Sales	(8,500)	(8,309)	(17,979)	(17,378)
Gross Profit	<u>1,291</u>	<u>1,216</u>	<u>1,723</u>	<u>1,645</u>
Other Income	152	28	219	84
Administrative Expenses	(664)	(724)	(1,350)	(1,354)
Selling and Marketing Expenses	(495)	(517)	(988)	(993)
Other Expenses	(228)	(291)	(403)	(505)
Finance Costs	(176)	(180)	(304)	(286)
Profit/(loss) Before Tax	<u>(120)</u>	<u>(468)</u>	<u>(1,103)</u>	<u>(1,409)</u>
Income tax expenses	(80)	(19)	(110)	(62)
Profit/(loss) For The Period	<u>(200)</u>	<u>(487)</u>	<u>(1,213)</u>	<u>(1,471)</u>
Other Comprehensive Income	0	0	0	0
Total Comprehensive Income For The Period	<u>(200)</u>	<u>(487)</u>	<u>(1,213)</u>	<u>(1,471)</u>
<b>Profit Attributable to:</b>				
Owners of the parent	(306)	(564)	(1,359)	(1,490)
Non- Controlling Interest	106	77	146	19
	<u>(200)</u>	<u>(487)</u>	<u>(1,213)</u>	<u>(1,471)</u>
<b>Total Comprehensive Income Attributable to:</b>				
Owners of the parent	(306)	(564)	(1,359)	(1,490)
Non- Controlling Interest	106	77	146	19
	<u>(200)</u>	<u>(487)</u>	<u>(1,213)</u>	<u>(1,471)</u>
EPS - Basic and Diluted (sen)	(0.75)	(1.38)	(3.31)	(3.63)

**(THE CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME SHOULD BE READ IN CONJUNCTION WITH THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016)**

**COMPUTER FORMS (MALAYSIA) BERHAD**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2016**  
(The figures are unaudited)

	As At 30 Sep 16	As At 31 Mar 16
	<u>(RM'000)</u>	<u>(RM'000)</u>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, Plant and Equipment	33,922	34,887
Goodwill	1,309	1,309
	<u>35,231</u>	<u>36,196</u>
<b>Current Assets</b>		
Inventories	20,149	14,661
Trade and Other Receivables	15,018	14,884
Tax Recoverable	575	458
Cash and Bank Balances	3,115	5,099
	<u>38,857</u>	<u>35,102</u>
<b>Total Assets</b>	<u>74,088</u>	<u>71,298</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable to Equity Holders of The Parent</b>		
Share Capital	41,000	41,000
Retained Earnings	10,661	12,020
	<u>51,661</u>	<u>53,020</u>
Non-Controlling Interest	1,767	1,621
<b>Total Equity</b>	<u>53,428</u>	<u>54,641</u>
<b>Non-Current Liabilities</b>		
Long-Term Borrowings	2,342	2,806
Hire Purchase Creditor	811	964
Deferred Tax	2,211	2,211
<b>Total Non-Current Liabilities</b>	<u>5,364</u>	<u>5,981</u>
<b>Current Liabilities</b>		
Trade and Other Payables	5,624	4,798
Hire Purchase Creditor	479	454
Short-Term Borrowings	9,193	5,424
Taxation		
<b>Total Current Liabilities</b>	<u>15,296</u>	<u>10,676</u>
<b>Total Liabilities</b>	<u>20,660</u>	<u>16,657</u>
<b>Total Equity and Liabilities</b>	<u>74,088</u>	<u>71,298</u>
Net Asset Per Share (RM)	1.26	1.29

(THE CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION SHOULD BE READ IN CONJUNCTION WITH THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016)

COMPUTER FORMS (MALAYSIA) BERHAD  
 CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
 FOR THE QUARTER ENDED 30 SEPTEMBER 2016  
 (The figures are unaudited)

	←-----	Attributable to Equity Holdings of Parent-----→		Non- Controlling Interest	Total Equity
	Share Capital	Distributable Retained Earnings	Total		
As at 1 April 2015	41,000	13,213	54,213	1,586	55,799
Total Comprehensive Income For The Period		(1,490)	(1,490)	19	(1,471)
At 30 September 2015	41,000	11,723	52,723	1,605	54,328
As at 1 April 2016	41,000	12,020	53,020	1,621	54,641
Total Comprehensive Income For The Period		(1,359)	(1,359)	146	(1,213)
At 30 September 2016	41,000	10,661	51,661	1,767	53,428

(THE CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY SHOULD BE READ  
 IN CONJUNCTION WITH THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016)

**COMPUTER FORMS (MALAYSIA) BERHAD**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**AS AT 30 SEPTEMBER 2016**  
**(The figures are unaudited)**

	FY 2017 6 months ended 30 Sep 16 (RM'000)	FY 2016 6 months ended 30 Sep 15 (RM'000)
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before tax	(1,103)	(1,409)
Adjustments for:		
Depreciation	1,112	1,153
Interest Income		286
Interest Expense	304	
Other non cash/non operational items	(35)	(82)
Operating profit before working capital changes	<u>278</u>	<u>(52)</u>
Working capital changes:		
Inventories	(5,489)	(3,520)
Debtors	(134)	(871)
Creditors	852	(151)
Cash inflows/(outflows) from operations	<u>(4,493)</u>	<u>(4,594)</u>
Tax (paid)/Refunded	(205)	(331)
Interest paid	(304)	(286)
Interest Income		
Net cash inflows/(outflows) from operating activities	<u>(5,002)</u>	<u>(5,211)</u>
<b>CASHFLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of Plant, Property and Equipment (PPE)	(147)	(245)
Proceeds from disposal of PPE	12	4
<b>CASHFLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long term liabilities	(617)	3,672
Proceeds/(Repayment) from short term borrowings	3,005	4,023
<b>NET (DECREASE)/INCREASE IN CASH &amp; CASH EQUIVALENTS</b>	<u>(2,749)</u>	<u>2,243</u>
<b>CASH &amp; CASH EQUIVALENTS BROUGHT FORWARD</b>	2,471	281
<b>CASH &amp; CASH EQUIVALENTS CARRIED FORWARD</b>	<u>(278)</u>	<u>2,524</u>
<b>Cash and Cash Equivalents at end of financial period comprise of the following:</b>		
	As At 30 Sep 16 (RM'000)	As At 30 Sep 15 (RM'000)
Cash and Bank Balances	3,115	4,125
Fixed Deposit Pledged with licenced banks	(226)	(25)
Bank Overdrafts (included within Short Term Borrowings)	(3,167)	(1,576)
	<u>(278)</u>	<u>2,524</u>

**(THE CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS SHOULD BE READ IN CONJUNCTION WITH  
THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016)**

**COMPUTER FORMS (MALAYSIA) BERHAD**  
**NOTES TO THE INTERIM FINANCIAL REPORT**  
**FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2016**

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**A. Compliance with Financial Reporting Standard (FRS) 134, Interim Financial Reporting and Bursa Listing Requirements**

**A1. Accounting Policies and Methods of Computation**

The interim financial report has been prepared in accordance with FRS 134, *Interim Financial Reporting* and paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2016. The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the audited financial statements for the year ended 31 March 2016 except as follows:

On 1 April 2016, the Group and the Company adopted the Amendments to published standards mandatory for annual financial periods beginning on or after 1 April 2016:

**Amendments**

Annual Improvements to MFRSs 2010 – 2012 Cycle as follows:

- Amendments to MFRS 3 Business Combinations
- Amendments to MFRS 8 Operating Segments
- Amendments to MFRS 116 Property, Plant and Equipment
- Amendments to MFRS 124 Related Party Disclosures
- Amendments to MFRS 138 Intangible Assets

Annual Improvements to MFRSs 2011 – 2013 Cycle as follow:

- Amendments to MFRS 3 Business Combinations
- Amendments to MFRS 13 Fair Value Measurement

The adoption of the above Amendments do not have any material effect on the financial statements of the Group and the Company.

The following new MFRSs and Amendments to published standards have been issued and are relevant but are not yet effective to the Group and the Company:

**Standards/Amendments**

**Effective date**

Annual Improvements to MFRs 2012 – 2014 Cycle as follows:

1 January 2016

- Amendments to MFRS 7 Financial Instruments : Disclosures

**COMPUTER FORMS (MALAYSIA) BERHAD**  
**NOTES TO THE INTERIM FINANCIAL REPORT**  
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• Amendments to MFRS 134	Interim Financial Reporting
Amendments to MFRS 101 – Disclosure Initiative	1 January 2016
Amendments to MFRS 116 and MFRS 138 – Clarification of Acceptable methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 107 – Disclosure Initiative	1 January 2017
Amendments to MFRS 112 – Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
MFRS 15 – Revenue from Contracts with Customers	1 January 2018
MFRS 9 – Financial Instruments (IFRS 9 as issued by IASB in July 2014) and mandatory effective date of MFRS 9 and transition Disclosures	1 January 2018
MFRS 16 – Leases	1 January 2019

The initial adoption of the new MFRSs and Amendments do not have any material effect on the financial statements except for MFRS 9 and MFRS 16. Due to the complexity of these standards and their requirements, the financial effects of their adoption are still being assessed by the Group and the Company.

A2. Explanatory Comments about the Seasonality or Cyclicity of Interim Operations

The operations of the Group are not significantly affected by seasonal or cyclical factors except for a subsidiary that usually reports higher revenue during the school exercise book sale season in the 3<sup>rd</sup> Quarter of each financial year.

A3. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cashflows

There were no items affecting assets, liabilities, equity, net income, or cash flows that were unusual because of their nature, size or incidence.

A4. Material Changes in Estimates

There were no material changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years.

A5. Issuance, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities.

There were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities in the financial year to date.

**COMPUTER FORMS (MALAYSIA) BERHAD**  
**NOTES TO THE INTERIM FINANCIAL REPORT**  
**FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2016**

A6. Dividends Paid

No dividend was paid by the Company in the interim period or the financial year to date.

A7. Operating Segmental Information

The segment revenue and result of business segments for the financial year to date are as follows:

All balances in RM'000	Business Forms and Data Print Services		Commercial Printing		Flexible Packaging		Other/ Consol Adj		Consolidated Totals	
	FY'17	FY'16	FY'17	FY'16	FY'17	FY'16	FY'17	FY'16	FY'17	FY'16
Revenue	10,105	9,069	1,702	1,611	8,117	8,464	(222)	(121)	19,702	19,023
Results										
Profit Before Tax	483	249	(1,239)	(1,395)	(463)	(305)	116	42	(1,103)	(1,409)

A8. Valuation of Property, Plant and Equipment

The valuation of plant and equipment were brought forward without any amendment from the previous annual financial statements.

A9. Subsequent Events

There were no events subsequent to the end of the interim period that has not been reflected in the financial statements for the interim period.

A10. Effect of Changes in the Composition of the Group

There were no changes in the composition of the Group during the interim period, including business combinations, disposal of subsidiaries and long-term investments, restructurings and discontinued operations.

A11. Capital Commitments

There was no material capital commitments not recognised in the interim financial statements.

**COMPUTER FORMS (MALAYSIA) BERHAD**  
**NOTES TO THE INTERIM FINANCIAL REPORT**  
**FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2016**

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**B. Explanatory Notes pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad**

B1. Review of Performance of Operating Segments

*Business Forms and Data Print Services*

The revenue for the second quarter of RM5.3 million was 11% higher as compared with the corresponding quarter in the preceding year. Higher revenue was primarily due to increase in sales of data print services.

A profit before tax for the second quarter of RM483,000 was reported as compared to a profit before tax of RM249,000 the corresponding quarter in the preceding year. The increase in profit before tax was due to both higher revenue and increased margins from data print services.

*Commercial Printing*

The revenue for the second quarter of RM1.7 million was 11% lower as compared with the corresponding quarter in the preceding year. This was due to lower sales of exercise books.

The loss before tax for the second quarter of RM0.4 million was 5% lower than the corresponding quarter in the preceding year. The lower loss was due to lower utilisation of raw materials resulting from production efficiency.

*Flexible Packaging*

The revenue for the second quarter of RM3.6 million was 4% lower as compared with the corresponding quarter in the preceding year. The decrease in revenue was due to lower exports.

The loss before tax for the second quarter of RM159,000 was 32% lower than the corresponding quarter in the preceding year. The lower loss was due lower exchange rate losses in the current quarter, the corresponding quarter in the preceding year reported exchange rate losses of RM92,000 as compared to a RM2,000 loss in the current quarter.



**COMPUTER FORMS (MALAYSIA) BERHAD**  
**NOTES TO THE INTERIM FINANCIAL REPORT**  
**FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2016**

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**B2. Material Changes in Profit Before Tax for Current Quarter as Compared to the Preceding Quarter.**

	Current Qtr Ended 30 Sep 2016 (RM'000)	Preceding Qtr Ended 30 Jun 2016 (RM'000)
Revenue	9,791	9,911
Profit/(loss) Before Tax	(120)	(984)

Revenue was lower this quarter due to lower sales from the flexible packaging segment. Lower losses were reported this quarter due to stronger results from the commercial printing and business forms and data print services segments.

**B3. Prospects**

- a) The Management expects performance of both the revenue and profitability of the Group to improve in the 3<sup>rd</sup> financial quarter with the start of the seasonal sales of exercise books
- b) The Group has not announced or disclosed in a public document any revenue or profit estimate, forecast, projection or internal targets.

**B4. Statement of the Board of Directors' Opinion as to whether Revenue or Profit Estimate, Forecast, Projection or Internal Targets are likely to be achieved.**

Not applicable as the Group has not announced or disclosed in a public document any revenue or profit estimate, forecast, projection or internal targets.

**B5. Variance of Profit Forecast and Profit Guarantees**

Not applicable as the Group has not disclosed any profit forecasts or made any profit guarantees.

**COMPUTER FORMS (MALAYSIA) BERHAD**  
**NOTES TO THE INTERIM FINANCIAL REPORT**  
**FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2016**

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B6. Tax

	Current Quarter Ended 30 Sep'16  RM'000	6 Months Cumulative YTD 30 Sep'16 RM'000
Income tax expense/(credit)	80	110

The effective tax rate of the Group for the financial year is higher than the statutory tax rate because of the following:

- a) Profit before tax reported by a group company amounting to RM0.4 million that did not qualify for group tax relief

B7. Status of Corporate Proposals

- a) The Company does not have any pending corporate proposals.
- b) The disclosure of the utilisation of proceeds raised from any corporate proposal is not applicable.

B8. Group Borrowings and Debt Securities

Details of the Group's borrowings as follows:

	As At 30 Sep '16 RM'000
Short Term Borrowings – Secured	2,342
Long Term Borrowing – Secured	9,193

The Group does not have any debt securities. All borrowings are secured and ringgit denominated.

**COMPUTER FORMS (MALAYSIA) BERHAD**  
**NOTES TO THE INTERIM FINANCIAL REPORT**  
**FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2016**

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**B9. Changes in Material Litigation**

There were no pending material litigations since the date of the last Annual Statement of Financial Position.

**B10. Dividend**

No dividend was proposed during the financial year to date.

**B11. Earnings Per Share (EPS)**

**Basic and Diluted Earnings Per Share**

<b>FY 2017</b>	<b>Quarter Ended 30 Sep'16</b>	<b>Cumulative 6 Months Ended 30 Sep'16</b>
RM'000		
Profit/(Loss) for the Period attributable to owners of the parent	(306)	(1,359)
No. of Ordinary Shares	41,000	41,000
Earnings/ (loss) Per Share	(0.75) sen	(3.31) sen
<b>FY 2016</b>	<b>Quarter Ended 30 Sep'15</b>	<b>Cumulative 6 Months Ended 30 Sep'15</b>
RM'000		
Profit/(Loss) for the Period attributable to owners of the parent	(564)	(1,490)
No. of Ordinary Shares	41,000	41,000
Earnings/ (loss) Per Share	(1.38) sen	(3.63) sen

**B12. Qualification of Audit Report**

There was no audit qualification in the preceding annual financial statement of the Group and Company for the financial year ended 31 March 2016.

**COMPUTER FORMS (MALAYSIA) BERHAD**  
**NOTES TO THE INTERIM FINANCIAL REPORT**  
**FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2016**

**B13. Notes to the Comprehensive Income Statement**

	Current Qtr 30 Sep'16 RM'000	6 Mths to Date 30 Sep'16 RM'000
a) Interest income	0	0
b) Other income (exclude interest income)	152	219
c) Interest expense	176	304
d) Depreciation and amortization	561	1,112
e) Provision for and write off of receivables	0	0
f) Provision for and write off of inventories	0	0
g) Gain and loss on disposal of quoted and unquoted investments or properties	0	0
h) Impairment of assets	0	0
i) Foreign exchange (gain)/loss	2	(21)
j) Gain or loss on derivatives	0	0
k) Exceptional items	0	0

**B14. Realised and Unrealised Retained Earnings Disclosure**

	As at 30/9/16 <u>RM'000</u>	As at 31/03/16 <u>RM'000</u>
Total retained profits of the Company and its subsidiaries:		
Realised Retained Earnings	132,579	122,944
Unrealised Retained Losses	(2,211)	(2,218)
Add Consolidated adjustments	(108,707)	(108,706)
Total Retained Earnings as per Consolidated Accounts	<u>10,661</u>	<u>12,020</u>

**By order of the Board**

**LEE YU JIN**  
Chief Financial Officer  
28 November 2016