

COMPUTER FORMS (MALAYSIA) BHD
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 DECEMBER 2016
(The figures are unaudited)

	FY 2017 Current Qtr Ended 31 Dec 16 (RM'000)	FY 2016 Current Qtr Ended 31 Dec 15 (RM'000)	FY 2017 Current 9 months Cumulative to 31 Dec 16 (RM'000)	FY 2016 Current 9 months Cumulative to 31 Dec 15 (RM'000)
Continuing Operations:				
Revenue	15,340	15,276	35,042	34,299
Cost of Sales	(12,440)	(12,553)	(30,419)	(29,911)
Gross Profit	<u>2,900</u>	<u>2,723</u>	<u>4,623</u>	<u>4,388</u>
Other Income	(79)	30	140	94
Administrative Expenses	(669)	(647)	(2,020)	(2,001)
Selling and Marketing Expenses	(517)	(593)	(1,505)	(1,586)
Other Expenses	(154)	1	(558)	(504)
Finance Costs	(180)	(200)	(483)	(486)
Profit/(loss) Before Tax	<u>1,301</u>	<u>1,314</u>	<u>197</u>	<u>(95)</u>
Income tax expenses	(105)	(103)	(215)	(165)
Profit/(loss) For The Period	<u>1,196</u>	<u>1,211</u>	<u>(18)</u>	<u>(260)</u>
Other Comprehensive Income	0	0	0	0
Total Comprehensive Income For The Period	<u>1,196</u>	<u>1,211</u>	<u>(18)</u>	<u>(260)</u>
Profit Attributable to:				
Owners of the parent	1,057	1,143	(302)	(347)
Non- Controlling Interest	139	68	284	87
	<u>1,196</u>	<u>1,211</u>	<u>(18)</u>	<u>(260)</u>
Total Comprehensive Income Attributable to:				
Owners of the parent	1,057	1,143	(302)	(347)
Non- Controlling Interest	139	68	284	87
	<u>1,196</u>	<u>1,211</u>	<u>(18)</u>	<u>(260)</u>
EPS - Basic and Diluted (sen)	2.58	2.79	(0.74)	(0.85)

(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 31 DECEMBER 2016
(The figures are unaudited)

	As At 31 Dec 16	As At 31 Mar 16
	<u>(RM'000)</u>	<u>(RM'000)</u>
ASSETS		
Non-current assets		
Property, Plant and Equipment	33,539	34,887
Goodwill	1,309	1,309
	<u>34,848</u>	<u>36,196</u>
Current Assets		
Inventories	16,653	14,661
Trade and Other Receivables	19,959	14,884
Tax Recoverable	622	458
Cash and Bank Balances	2,563	5,099
	<u>39,797</u>	<u>35,102</u>
Total Assets	<u>74,645</u>	<u>71,298</u>
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of The Parent		
Share Capital	41,000	41,000
Retained Earnings	11,718	12,020
	<u>52,718</u>	<u>53,020</u>
Non-Controlling Interest	1,905	1,621
Total Equity	<u>54,623</u>	<u>54,641</u>
Non-Current Liabilities		
Long-Term Borrowings	2,159	2,806.00
Hire Purchase Creditor	736	964
Deferred Tax	2,211	2,211
Total Non-Current Liabilities	<u>5,106</u>	<u>5,981</u>
Current Liabilities		
Trade and Other Payables	7,384	4,798
Hire Purchase Creditor	718	454
Short-Term Borrowings	6,814	5,424
Taxation		
Total Current Liabilities	<u>14,916</u>	<u>10,676</u>
Total Liabilities	20,022	16,657
Total Equity and Liabilities	<u>74,645</u>	<u>71,298</u>
Net Asset Per Share (RM)	1.29	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 31 DECEMBER 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		(347)	(347)	87	(260)
As at 31 December 2015	41,000	12,866	53,866	1,673	55,539
As at 1 April 2016	41,000	12,020	53,020	1,621	54,641
Total Comprehensive Income For The Period		(302)	(302)	284	(18)
As at 31 December 2016	41,000	11,718	52,718	1,905	54,623

(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 31 DECEMBER 2016
(The figures are unaudited)

	FY 2017 9 months ended 31 Dec 16 (RM'000)	FY 2016 9 months ended 31 Dec 15 (RM'000)
CASHFLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	197	(95)
Adjustments for:		
Depreciation	1,690	1,689
Interest Income		
Interest Expense	486	486
Other non cash/non operational items	(65)	(57)
Operating profit before working capital changes	<u>2,308</u>	<u>2,023</u>
Working capital changes:		
Inventories	(1,994)	421
Debtors	(5,075)	(7,371)
Creditors	2,850	572
Cash inflows/(outflows) from operations	<u>(1,911)</u>	<u>(4,355)</u>
Tax (paid)/Refunded	(328)	(525)
Interest paid	(483)	(486)
Interest Income		
Net cash inflows/(outflows) from operating activities	<u>(2,722)</u>	<u>(5,366)</u>
CASHFLOWS FROM INVESTING ACTIVITIES		
Acquisition of Plant, Property and Equipment (PPE)	(342)	(285)
Proceeds from disposal of PPE	12	4
CASHFLOWS FROM FINANCING ACTIVITIES		
Placement of Margin Deposit	(1)	(200.00)
Repayment of long term liabilities	(875)	3,479
Proceeds/(Repayment) from short term borrowings	163	1,895
NET (DECREASE)/INCREASE IN CASH & CASH EQUIVALENTS	<u>(3,765)</u>	<u>(473)</u>
CASH & CASH EQUIVALENTS BROUGHT FORWARD	2,471	281
CASH & CASH EQUIVALENTS CARRIED FORWARD	<u>(1,294)</u>	<u>(192)</u>
Cash and Cash Equivalents at end of financial period comprise of the following:		
	As At 31 Dec 16 (RM'000)	As At 31 Dec 15 (RM'000)
Cash and Bank Balances	2,563	2,287
Fixed Deposit Pledged with licenced banks	(226)	(225)
Bank Overdrafts (included within Short Term Borrowings)	(3,631)	(2,254)
	<u>(1,294)</u>	<u>(192)</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 THIRD QUARTER ENDED 31 DECEMBER 2016

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
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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 3rd 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 THIRD QUARTER ENDED 31 DECEMBER 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 Revenue	16,055	14,235	6,825	7,524	12,486	12,750	(324)	(210)	35,042	34,299
Results Profit Before Tax	841	660	(616)	(320)	(221)	(505)	193	70	197	(95)

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 THIRD QUARTER ENDED 31 DECEMBER 2016

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 third quarter of RM5.9 million was 15% 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 third quarter of RM357,000 was 13% lower as compared to the corresponding quarter in the preceding year. The decrease in profit before tax was due to reduced margins from the computer forms business.

Commercial Printing

The revenue for the third quarter of RM5.1 million was 13% lower as compared with the corresponding quarter in the preceding year. This was due to lower sales of exercise books.

The profit before tax for the third quarter of RM0.6 million was 42% lower than the corresponding quarter in the preceding year. The lower profit was due to lower revenue as well as the higher utilisation of raw materials.

Flexible Packaging

The revenue for the third quarter of RM4.4 million was 2% higher as compared with the corresponding quarter in the preceding year. The increase in revenue was due to higher domestic sales.

A profit before tax for the third quarter of RM242,000 was reported as compared to a loss of RM200,000 the corresponding quarter in the preceding year. The stronger performance this quarter was due to lower raw material utilization resulting from higher efficiency.

COMPUTER FORMS (MALAYSIA) BERHAD
NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2016

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

	Current Qtr Ended 31 Dec 2016 (RM'000)	Preceding Qtr Ended 30 Sep 2016 (RM'000)
Revenue	15,340	9,791
Profit/(loss) Before Tax	1,301	(120)

Revenue was higher this quarter due to the seasonal sales of exercise books. The stronger profits reported this quarter was due to the higher revenue.

B3. Prospects

- a) The Management expects performance of both the revenue and profitability of the Group for the final quarter of the financial year to decline with the end 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 THIRD QUARTER ENDED 31 DECEMBER 2016

B6. Tax

	Current Quarter Ended 31 Dec'16 RM'000	9 Months Cumulative YTD 31 Dec'16 RM'000
Income tax expense/(credit)	105	215

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 RM0.86 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 31 Dec '16 RM'000
Short Term Borrowings – Secured	6,814
Long Term Borrowing – Secured	2,159

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 THIRD QUARTER ENDED 31 DECEMBER 2016

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

FY 2017	Quarter Ended 31 Dec'16	Cumulative 9 Months Ended 31 Dec'16
RM'000		
Profit/(Loss) for the Period attributable to owners of the parent	1,057	(302)
No. of Ordinary Shares	41,000	41,000
Earnings/ (loss) Per Share	2.58 sen	(0.74) sen
FY 2016	Quarter Ended 31 Dec'15	Cumulative 9 Months Ended 31 Dec'15
RM'000		
Profit/(Loss) for the Period attributable to owners of the parent	1,143	(347)
No. of Ordinary Shares	41,000	41,000
Earnings/ (loss) Per Share	2.79 sen	(0.85) 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
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B13. Notes to the Comprehensive Income Statement

	Current Qtr 31 Dec'16 RM'000	9 Mths to Date 31 Dec'16 RM'000
a) Interest income	0	0
b) Other income (exclude interest income)	(79)	140
c) Interest expense	180	483
d) Depreciation and amortization	578	1,690
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	(66)	(11)
j) Gain or loss on derivatives	0	0
k) Exceptional items	0	0

B14. Realised and Unrealised Retained Earnings Disclosure

	As at 31/12/16 <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	122,686	122,944
Unrealised Retained Losses	(2,211)	(2,218)
Add Consolidated adjustments	(108,757)	(108,706)
Total Retained Earnings as per Consolidated Accounts	<u>11,718</u>	<u>12,020</u>

By order of the Board

LEE YU JIN
Chief Financial Officer
23 February 2017