

COMPUTER FORMS (MALAYSIA) BHD
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 DECEMBER 2017
(The figures are unaudited)

	FY 2018 Current Qtr Ended 31 Dec 17	FY 2017 Current Qtr Ended 31 Dec 16	FY 2018 Current 9 months Cumulative to 31 Dec 17 (RM'000)	FY 2017 Current 9 months Cumulative to 31 Dec 16 (RM'000)
	<u>(RM'000)</u>	<u>(RM'000)</u>	<u>(RM'000)</u>	<u>(RM'000)</u>
Continuing Operations:				
Revenue	13,895	15,340	34,011	35,042
Cost of Sales	(11,673)	(12,440)	(29,588)	(30,419)
Gross Profit	<u>2,222</u>	<u>2,900</u>	<u>4,423</u>	<u>4,623</u>
Other Income	(78)	(79)	131	140
Administrative Expenses	(694)	(669)	(2,046)	(2,020)
Selling and Marketing Expenses	(502)	(517)	(1,450)	(1,505)
Other Expenses	(177)	(154)	(567)	(558)
Finance Costs	(108)	(180)	(336)	(483)
Profit/(loss) Before Tax	<u>663</u>	<u>1,301</u>	<u>155</u>	<u>197</u>
Income tax expenses	5	(105)	(128)	(215)
Profit/(loss) For The Period	<u>668</u>	<u>1,196</u>	<u>27</u>	<u>(18)</u>
Other Comprehensive Income	0	0	0	0
Total Comprehensive Income For The Period	<u>668</u>	<u>1,196</u>	<u>27</u>	<u>(18)</u>
Profit Attributable to:				
Owners of the parent	627	1,057	(152)	(302)
Non- Controlling Interest	41	139	179	284
	<u>668</u>	<u>1,196</u>	<u>27</u>	<u>(18)</u>
Total Comprehensive Income Attributable to:				
Owners of the parent	627	1,057	(152)	(302)
Non- Controlling Interest	41	139	179	284
	<u>668</u>	<u>1,196</u>	<u>27</u>	<u>(18)</u>
EPS - Basic and Diluted (sen)	1.53	2.58	(0.37)	(0.74)

(THE CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME SHOULD BE READ IN CONJUNCTION WITH THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017)

COMPUTER FORMS (MALAYSIA) BERHAD
 CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 AS AT 31 DECEMBER 2017
 (The figures are unaudited)

	As At 31 Dec 17	As At 31 Mar 17
	<u>(RM'000)</u>	<u>(RM'000)</u>
ASSETS		
Non-current assets		
Property, Plant and Equipment	32,078	33,059
Goodwill	1,309	1,309
	<u>33,387</u>	<u>34,368</u>
Current Assets		
Inventories	13,777	16,011
Trade and Other Receivables	18,210	16,293
Tax Recoverable	607	603
Cash and Bank Balances	5,156	3,899
	<u>37,750</u>	<u>36,806</u>
Total Assets	<u>71,137</u>	<u>71,174</u>
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of The Parent		
Share Capital	41,000	41,000
Retained Earnings	10,930	11,082
	<u>51,930</u>	<u>52,082</u>
Non-Controlling Interest	2,229	2,050
Total Equity	<u>54,159</u>	<u>54,132</u>
Non-Current Liabilities		
Long-Term Borrowings	1,446	2,022
Hire Purchase Creditor	291	644
Deferred Tax	2,049	2,049
Total Non-Current Liabilities	<u>3,786</u>	<u>4,715</u>
Current Liabilities		
Trade and Other Payables	5,194	6,346
Hire Purchase Creditor	467	476
Short-Term Borrowings	7,531	5,336
Taxation		169
Total Current Liabilities	<u>13,192</u>	<u>12,327</u>
Total Liabilities	16,978	17,042
Total Equity and Liabilities	<u>71,137</u>	<u>71,174</u>
Net Asset Per Share (RM)	1.27	1.27

(THE CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION SHOULD BE READ IN CONJUNCTION WITH THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017)

COMPUTER FORMS (MALAYSIA) BERHAD
 CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE QUARTER ENDED 31 DECEMBER 2017
 (The figures are unaudited)

	Attributable to Equity Holdings of Parent				Total Equity
	Share Capital	Distributable Retained Earnings	Total	Non- Controlling Interest	
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
As at 1 April 2017	41,000	11,082	52,082	2,050	54,132
Total Comprehensive Income For The Period		(152)	(152)	179	27
At 31 December 2017	41,000	10,930	51,930	2,229	54,159

(THE CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY SHOULD BE READ
 IN CONJUNCTION WITH THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017)

COMPUTER FORMS (MALAYSIA) BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
AS AT 31 DECEMBER 2017
(The figures are unaudited)

	FY 2018 9 months ended 31 Dec 17 <u>(RM'000)</u>	FY 2017 9 months ended 31 Dec 16 <u>(RM'000)</u>
CASHFLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	155	197
Adjustments for:		
Depreciation	1,229	1,690
Interest Income	(52)	
Interest Expense	336	486
Other non cash/non operational items	(1)	(65)
Operating profit before working capital changes	<u>1,667</u>	<u>2,308</u>
Working capital changes:		
Inventories	2,234	(1,994)
Debtors	(1,917)	(5,075)
Creditors	(1,161)	2,850
Cash inflows/(outflows) from operations	<u>823</u>	<u>(1,911)</u>
Tax (paid)/Refunded	(300)	(328)
Interest paid	(336)	(483)
Interest Income	52	
Net cash inflows/(outflows) from operating activities	<u>239</u>	<u>(2,722)</u>
CASHFLOWS FROM INVESTING ACTIVITIES		
Acquisition of Plant, Property and Equipment (PPE)	(248)	(342)
Proceeds from disposal of PPE	-	12
CASHFLOWS FROM FINANCING ACTIVITIES		
Repayment of long term liabilities	(929)	(1)
Proceeds/(Repayment) from short term borrowings	2,091	(875)
Movement of margin deposits	(329)	163.00
NET (DECREASE)/INCREASE IN CASH & CASH EQUIVALENTS	<u>824</u>	<u>(3,765)</u>
CASH & CASH EQUIVALENTS BROUGHT FORWARD	1,314	2,471
CASH & CASH EQUIVALENTS CARRIED FORWARD	<u><u>2,138</u></u>	<u><u>(1,294)</u></u>
Cash and Cash Equivalents at end of financial period comprise of the following:		
	As At 31 Dec 17 <u>(RM'000)</u>	As At 31 Dec 16 <u>(RM'000)</u>
Cash and Bank Balances	5,156	2,563
Fixed Deposit Pledged with licenced banks	(555)	(226)
Bank Overdrafts (included within Short Term Borrowings)	(2,463)	(3,631)
	<u><u>2,138</u></u>	<u><u>(1,294)</u></u>

(THE CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS SHOULD BE READ IN CONJUNCTION WITH THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017)

COMPUTER FORMS (MALAYSIA) BERHAD
NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2017

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 2017. 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 2017 except as follows:

On 1 April 2017, the Group and the Company adopted the Amendments to published standards mandatory for annual financial periods beginning on or after 1 April 2017:

Amendments	Effective Date
Annual Improvements to MFRSs 2014 – 2016 Cycle as follows:	1 January 2017
• Amendments to MFRS 12 Disclosure of Investments in Other Entities	
Amendments to MFRS 107 – Disclosure Initiative	1 January 2017
Amendments to MFRS 112 – Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017

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:

Amendments	Effective Date
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

COMPUTER FORMS (MALAYSIA) BERHAD
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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.

A6. Dividends Paid

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

COMPUTER FORMS (MALAYSIA) BERHAD
NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2017

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'18	FY'17	FY'18	FY'17	FY'18	FY'17	FY'18	FY'17	FY'18	FY'17
Revenue Revenue	15,106	16,055	6,491	6,825	12,540	12,486	(126)	(324)	34,011	35,042
Results Profit Before Tax	340	841	(178)	(616)	(113)	(221)	106	193	155	197

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 31 DECEMBER 2017

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 RM4.9 million was 17% lower as compared with the corresponding quarter in the preceding year. The lower revenue was primarily due to a decrease in sales of data print services.

A loss before tax for the third quarter of RM40,000 was reported as compared to a profit before tax of RM358,000 the corresponding quarter in the preceding year. The weaker performance was due to the lower revenue.

Commercial Printing

The revenue for the third quarter of RM5.0 million was 3% lower as compared with the corresponding quarter in the preceding year. This was due to lower sales of cigarette paper.

The profit before tax for the third quarter of RM0.9 million was 49% higher than the corresponding quarter in the preceding year. The higher profit was due to lower raw material utilization.

Flexible Packaging

The revenue for the third quarter of RM4.1 million was 7% lower as compared with the corresponding quarter in the preceding year. The decrease in revenue was due to lower sales to the domestic consumer market.

A loss before tax for the third quarter of RM0.26 million was reported as compared to a profit before tax of RM0.24 million the corresponding quarter in the preceding year. The weaker result was due to both the lower revenue and higher wastages.

COMPUTER FORMS (MALAYSIA) BERHAD
NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2017

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

	Current Qtr Ended 31 Dec 2017 (RM'000)	Preceding Qtr Ended 30 Sep 2017 (RM'000)
Revenue	13,895	10,004
Profit/(loss) Before Tax	663	(315)

The higher revenue this current quarter was due to seasonal sales of school exercise books. The profit before tax this current quarter was due to the higher revenue from the abovementioned sales.

B3. Prospects

- a) The Management expects performance of both the revenue and profitability of the Group to remain sluggish in view of the challenging economic environment.
- 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 31 DECEMBER 2017

B6. Tax

	Current Quarter Ended 31 Dec'17 RM'000	9 Months Cumulative YTD 31 Dec'17 RM'000
Income tax expense/(credit)	(5)	128

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

- a) Loss before tax reported by group companies amounting to RM0.6 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 '17 RM'000
Short Term Borrowings – Secured	7,531
Long Term Borrowing – Secured	1,446

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 31 DECEMBER 2017

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 2018	Quarter Ended 31 Dec'17	Cumulative 9 Months Ended 31 Dec '17
RM'000		
Profit/(Loss) for the Period attributable to owners of the parent	627	(152)
No. of Ordinary Shares	41,000	41,000
Earnings/ (loss) Per Share	1.53 sen	(0.37) sen
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

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 2017.

COMPUTER FORMS (MALAYSIA) BERHAD
NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2017

B13. Notes to the Comprehensive Income Statement

	Current Qtr 31 Dec'17 RM'000	9 Mths to Date 31 Dec'17 RM'000
a) Interest income	23	52
b) Other income (exclude interest income)	(101)	79
c) Interest expense	108	336
d) Depreciation and amortization	419	1,229
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	11	45
j) Gain or loss on derivatives	0	0
k) Exceptional items	0	0

B14. Realised and Unrealised Retained Earnings Disclosure

	As at 31/12/17 <u>RM'000</u>	As at 31/03/17 <u>RM'000</u>
Total retained profits of the Company and its subsidiaries:		
Realised Retained Earnings	121,761	122,006
Unrealised Retained Losses	(2,049)	(2,054)
Add Consolidated adjustments	(108,782)	(108,870)
Total Retained Earnings as per Consolidated Accounts	<u>10,930</u>	<u>11,082</u>

By order of the Board

LEE YU JIN
Chief Financial Officer
26 February 2018