



COMPUTER FORMS (MALAYSIA) BERHAD

**INTERIM FINANCIAL REPORT ANNOUNCEMENT TO BURSA
MALAYSIA SECURITIES BERHAD**

AND

**PRESENTATION OF THE UNAUDITED FINANCIAL RESULT
FOR THE 3RD QUARTER ENDED 31 DECEMBER 2022 TO THE
AUDIT COMMITTEE**

20 FEBRUARY 2023

**INTERIM FINANCIAL REPORT ANNOUNCEMENT
TO BURSA MALAYSIA SECURITIES BERHAD**

INTERIM FINANCIAL REPORT FOR THE THIRD (3rd) QUARTER ENDED 31 DECEMBER 2022

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 DECEMBER 2022**

(The figures are unaudited)

	Note	Individual Quarter		Cumulative Quarter	
		31 Dec 22 (RM'000)	31 Dec 21 (RM'000)	31 Dec 22 (RM'000)	31 Dec 21 (RM'000)
Continuing Operations:					
Revenue	A8	8,078	7,023	21,005	20,146
Cost of Sales		(6,512)	(5,842)	(18,147)	(17,309)
Gross Profit		<u>1,566</u>	<u>1,181</u>	<u>2,858</u>	<u>2,837</u>
Other Income		2,207	100	2,749	63,278
Administrative Expenses		(2,654)	(479)	(4,971)	(2,397)
Selling and Marketing Expenses		(341)	(348)	(1,033)	(963)
Other Expenses		(244)	(152)	(538)	(404)
Profit/ (Loss) from operations		<u>534</u>	<u>302</u>	<u>(935)</u>	<u>62,351</u>
Finance Costs		(59)	(45)	(181)	(130)
Profit/ (Loss) Before Tax	A8	<u>475</u>	<u>257</u>	<u>(1,116)</u>	<u>62,221</u>
Taxation	B6	(420)	-	(493)	(290)
Profit/ (Loss) For The Period/ Year		<u>55</u>	<u>257</u>	<u>(1,609)</u>	<u>61,931</u>
Other Comprehensive Income		-	-	-	-
Total Comprehensive Income/ (Expense) For The Period/ Year		<u>55</u>	<u>257</u>	<u>(1,609)</u>	<u>61,931</u>
Profit/ (Loss) Attributable to:					
Owners of the parent		74	272	(1,568)	61,910
Non- Controlling Interest		(19)	(15)	(41)	21
		<u>55</u>	<u>257</u>	<u>(1,609)</u>	<u>61,931</u>
Total Comprehensive Income/ (Expense) Attributable to:					
Owners of the parent		74	272	(1,568)	61,910
Non- Controlling Interest		(19)	(15)	(41)	21
		<u>55</u>	<u>257</u>	<u>(1,609)</u>	<u>61,931</u>
Earnings/ (Loss) Per Share					
- Basic (sen)	B11	<u>0.03</u>	<u>0.13</u>	<u>(0.69)</u>	<u>48.57</u>
- Diluted (sen)	B11	<u>0.02</u>	<u>0.13</u>	<u>(0.43)</u>	<u>48.57</u>

(THE CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME SHOULD BE READ IN CONJUNCTION WITH THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022)

INTERIM FINANCIAL REPORT FOR THE THIRD (3rd) QUARTER ENDED 31 DECEMBER 2022

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

(The figures are unaudited)

	(Unaudited) As At 31 December 22 Note (RM'000)	(Audited) As At 31 March 22 (RM'000)
ASSETS		
<u>Non-Current Assets</u>		
Property, Plant and Equipment	1,603	1,811
Investment Properties	236	288
Right-of-use assets	744	1,062
	2,583	3,161
<u>Current Assets</u>		
Inventories	6,787	7,668
Trade and Other Receivables	90,474	10,231
Tax Recoverable	281	194
Fixed Deposits	24,370	45,293
Cash and Bank Balances	4,740	8,959
	126,652	72,345
Total Assets	129,235	75,506
EQUITY AND LIABILITIES		
<u>Equity Attributable to Owners of The Parent</u>		
Share Capital	97,938	41,000
Retained Earnings	21,107	22,675
	119,045	63,675
Non-Controlling Interest	2,354	2,395
Total Equity	121,399	66,070
<u>Non-Current Liabilities</u>		
Deferred Taxation	97	98
Lease Liabilities	B8 250	255
Total Non-Current Liabilities	347	353
<u>Current Liabilities</u>		
Trade and Other Payables	2,386	2,955
Lease Liabilities	B8 443	821
Short-Term Borrowings	B8 4,055	4,006
Current tax liability	605	1,301
Total Current Liabilities	7,489	9,083
Total Liabilities	7,836	9,436
Total Equity and Liabilities	129,235	75,506
Net Assets Per Share (RM)	0.46	0.31

(THE CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION SHOULD BE READ IN CONJUNCTION WITH THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022)

COMPUTER FORMS (MALAYSIA) BERHAD
Registration No.: 196101000393 (4423-H)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD (3rd) QUARTER ENDED 31 DECEMBER 2022

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 DECEMBER 2022

(The figures are unaudited)

	<----- Attributable to Owner of the Parent----->			Non- Controlling Interest	Total Equity
	Share Capital (RM'000)	Distributable Retained Earnings (RM'000)	Total (RM'000)		
As at 1 April 2021	41,000	3,990	44,990	2,278	47,268
Total Comprehensive Income For The Period	-	61,910	61,910	21	61,931
Dividend paid	-	(41,000)	(41,000)	-	(41,000)
As at 31 December 2021	<u>41,000</u>	<u>24,900</u>	<u>65,900</u>	<u>2,299</u>	<u>68,199</u>
As at 1 April 2022	41,000	22,675	63,675	2,395	66,070
Issuance Of Ordinary Shares	57,390	-	57,390	-	57,390
Share Issuance Expenses	(452)	-	(452)	-	(452)
Total Comprehensive Expense For The Period	-	(1,568)	(1,568)	(41)	(1,609)
As at 31 December 2022	<u>97,938</u>	<u>21,107</u>	<u>119,045</u>	<u>2,354</u>	<u>121,399</u>

(THE CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY SHOULD BE READ IN CONJUNCTION WITH THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022)

INTERIM FINANCIAL REPORT FOR THE THIRD (3rd) QUARTER ENDED 31 DECEMBER 2022

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 31 DECEMBER 2022
(The figures are unaudited)

	9 months ended 31 Dec 22 (RM'000)	9 months ended 31 Dec 21 (RM'000)
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/ Profit before tax	(1,116)	62,221
Adjustments for:		
Depreciation	1,682	891
Interest income	(1,796)	(86)
Interest expense	181	130
Other non-cash/non-operational items	(2,066)	(11)
Gain on disposal of properties	-	(63,147)
Operating loss before working capital changes	(3,115)	(2)
Working capital changes:		
Inventories	879	86
Receivables	(80,243)	(156)
Payables	(569)	(864)
Cash outflows from operations	(83,048)	(936)
Tax refunded/(paid)	1,108	(3,122)
Interest paid	(181)	(130)
Interest received	1,796	86
Net cash outflows from operating activities	(80,325)	(4,102)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(251)	(62)
Acquisition of right-of-use assets	(1,171)	-
Proceeds from disposal of properties	-	91,100
Net cash (outflow)/inflow from investing activities	(1,422)	91,038
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	(383)	(349)
Proceeds from issuance of ordinary shares	57,390	-
Share issuance expenses	(452)	-
Proceeds from/(Repayment) of short term borrowings	558	(35)
Increase in fixed deposit pledged with banks	(168)	(2,112)
Dividend paid	-	(41,000)
Net cash inflows/(outflows) from financing activities	56,945	(43,496)
NET (DECREASE)/INCREASE IN CASH & CASH EQUIVALENTS	(24,802)	43,440
CASH & CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	49,872	4,182
CASH & CASH EQUIVALENTS AT THE END OF THE PERIOD	25,070	47,622

Cash and cash equivalents at end of the financial period comprise of the following:

	As at 31 Dec 22 (RM'000)	As at 31 Dec 21 (RM'000)
Cash and bank balances	4,740	8,547
Fixed deposits	24,370	44,587
Bank overdrafts (included within short term borrowings)	(1,248)	(2,425)
	27,862	50,709
Less Fixed deposit pledged to banks	(2,792)	(3,087)
	25,070	47,622

(THE CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS SHOULD BE READ IN CONJUNCTION WITH THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022)

COMPUTER FORMS (MALAYSIA) BERHAD
Registration No.: 196101000393 (4423-H)
NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE THIRD (3rd) QUARTER ENDED 31 DECEMBER 2022

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

A1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) No. 134: Interim Financial Reporting and Rules 9.22(2) and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirement”).

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 March 2022 and the accompanying explanatory notes attached to this interim financial report.

The accounting policies adopted in the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 March 2022. The Group has adopted those standards, amendments and interpretations that have become effective and such adoptions do not have material impact on the financial position and performance of the Group.

Adoption of new and amended standard

During the financial period, the Group has adopted the following amendments for MFRSs issued by the Malaysian Accounting Standards Board (“MASB”) that are mandatory for current financial period.

Amendments to MFRS 3	Reference to the Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment-Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts-Cost of Fulfilling a Contract
Annual improvements to MFRS Standards 2018-2020:-	
-Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards
-Amendments to MFRS 9	Financial Instruments
-Amendments to MFRS 16	Illustrative Examples accompanying MFRS 16 Lease
-Amendments to MFRS 141	Agriculture

Adoption of the above amendments to MFRSs did not have any significant impact on the financial statements of the Group.

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A1. Basis of preparation (Cont'd)

Standards issued but not yet effective

The Group has not applied the following standards, amendments and interpretations under MFRS framework that have been issued by the MASB as they have yet to be effective for the Group.

MFRSs and IC Interpretations (Including The Consequential Amendments)		Effective dates for financial period beginning on and after
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 101	Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 10 and MFRS 128	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

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.

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

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

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A4. Material Changes in Estimates

There were no material changes in estimates of amounts reported in prior financial year that had a material effect on the current financial quarter and financial period to date.

A5. Auditors' report of preceding annual audited financial statements

The audited financial statements of the Group for the financial year ended 31 March 2022 were not subject to any qualification.

A6. 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 current financial quarter and financial period to date, except for:-

Ordinary Shares

During the current financial period under review, the Company issued 30,000,000 and 26,000,000 new ordinary shares listed on the Main Market of Bursa Malaysia Securities Berhad in September 2022 and October 2022 respectively via private placement as disclosed in the Note B7(I).

Bonus Issue of Warrants

The Bonus Issue of Warrants was completed following the listing and quotation of 130,499,994 Warrants at the price of RM1.16 per Warrants on the Main Market of Bursa Securities dated 30 December 2022 as disclosed in the Note B7(I). There were no warrants exercised as of 31 December 2022.

A7. Dividends Paid

No dividend was paid during the current quarter under review.

A8. Operating Segmental Information

The Group's reportable segments comprise of business forms and data print services, commercial printing, flexible packaging and others.

For each reportable segment, the Group's chief operating decision makers which is the Board of Directors of the Company, reviews internal management reports on quarterly basis.

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	Business Forms and Data Print Services RM'000	Commercial Printing RM'000	Flexible Packaging RM'000	Others/ Elimination RM'000	Consolidated RM'000
Current Quarter					
31 Dec 2022					
Revenue					
External revenue	3,181	1,680	3,217	-	8,078
Inter-segment revenue	34	5	15	(54)	-
Total revenue	3,215	1,685	3,232	(54)	8,078
Results					
Other income	389	50	107	1,661	2,207
Loss from operations	(759)	942	(411)	(1,445)	(1,673)
Finance costs	(22)	-	(37)	-	(59)
Profit before tax					475
Taxation					(420)
Profit for the period					55

	Business Forms and Data Print Services RM'000	Commercial Printing RM'000	Flexible Packaging RM'000	Others/ Elimination RM'000	Consolidated RM'000
Current Quarter					
31 Dec 2021					
Revenue					
External revenue	3,308	466	3,249	-	7,023
Inter-segment revenue	31	14	23	(68)	-
Total revenue	3,339	480	3,272	(68)	7,023
Results					
Other income	16,307	30	21	(16,258)	100
Profit/(Loss) from operations	328	95	(356)	135	202
Finance costs	(20)	-	(25)	-	(45)
Profit before tax					257
Taxation					-
Profit for the period					257

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NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE THIRD (3rd) QUARTER ENDED 31 DECEMBER 2022

	Business Forms and Data Print Services RM'000	Commercial Printing RM'000	Flexible Packaging RM'000	Others/ Elimination RM'000	Consolidated RM'000
Cumulative Quarter					
31 Dec 2022					
Revenue					
External revenue	9,409	1,988	9,608	-	21,005
Inter-segment revenue	151	37	57	(245)	-
Total revenue	9,560	2,025	9,665	(245)	21,005
Results					
Other income	406	152	315	1,876	2,749
(Loss)/Profit from operations	(1,943)	952	(1,192)	(1,501)	(3,684)
Finance costs	(47)	-	(134)	-	(181)
Loss before tax					(1,116)
Taxation					(493)
Loss for the period					(1,609)

	Business Forms and Data Print Services RM'000	Commercial Printing RM'000	Flexible Packaging RM'000	Others/ Elimination RM'000	Consolidated RM'000
Cumulative Quarter					
31 Dec 2021					
Revenue					
External revenue	9,058	1,112	9,536	440	20,146
Inter-segment revenue	566	40	47	(653)	-
Total revenue	9,624	1,152	9,583	(213)	20,146
Results					
Other income	54,114	7,932	24	1,208	63,278
(Loss)/Profit from operations	(202)	156	(884)	3	(927)
Finance costs	(35)	-	(95)	-	(130)
Profit before tax					62,221
Taxation					(290)
Profit for the period					61,931

A9. Valuation of Property, Plant and Equipment

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

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NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE THIRD (3rd) QUARTER ENDED 31 DECEMBER 2022

A10. Material Subsequent Events

There were no material events subsequent to the end of the current quarter and financial period to date that have not been reflected in the financial statements for the interim period, except for:-

Issuance of Ordinary Shares

There were 5,500,000 new ordinary shares, being the third and final tranche of the Private Placement have been listed on the Main Market of Bursa Securities at RM2.375 per share dated 19 January 2023.

Conversion of Warrants to Ordinary Shares

The Company issued 146,000 and 235,000 new ordinary shares at RM1.16 per warrants arising from the conversion of warrants dated 27 January 2023 and 09 February 2023 respectively.

A11. 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, except for:-

New subsidiary

A new subsidiary, namely Energy Absolute (M) Sdn Bhd has been incorporated on 30 December 2022, acts as joint venture company with EA Mobility Holding Co. Ltd. to undertake electric vehicle business including the assembly production and distribution of the products.

A12. Capital Commitments

There were no material capital commitments not recognised in the interim financial statements except for:-

	(Unaudited) As at 31.12.22 RM'000	(Audited) As at 31.03.22 RM'000
Authorised but not contracted for		
- Property, plant & equipment	36,539	-

A13. Contingent liabilities and contingent assets

Since the last annual balance sheet date, there were no contingent liabilities and contingent assets as at the date of this interim financial report that are expected to have an operational or financial impact on the current financial period to date.

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NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE THIRD (3rd) QUARTER ENDED 31 DECEMBER 2022

A14. Significant Related Party Transactions

There were no significant related party transactions in the current period and financial period to date.

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of Performance of Operating Segments

	Individual Quarter (Unaudited) 31 Dec 2022 RM'000	Individual Quarter (Unaudited) 31 Dec 2021 RM'000	Changes (RM'000 / %)
Revenue	8,078	7,023	1,055/ 15.02%
Operating (loss)/profit	(1,673)	202	(1,875)/ (928.22%)
Profit before interest and tax	534	302	232/ 76.82%
Profit before tax	475	257	218/ 84.82%
Profit after tax	55	257	(202)/ (78.60%)
Profit attributable to owners of the Company	74	272	(198)/ (72.79%)

Current Quarter (3 months)

For the current quarter ended 31 December 2022, the Group recorded revenue of RM8.08 million as compared to RM7.02 million in the corresponding quarter, an increase of RM1.06 million or 15.02%. The higher revenue was mainly due to the increase in revenue contribution from commercial printing business segment.

The Group recorded profit before tax of RM0.48 million in current quarter as compared to profit before tax of RM0.26 million in the corresponding quarter, an increase of RM0.22 million or 84.82%.

Business Forms and Data Print Services

The revenue of this segment contributed RM3.22 million in the current quarter. It was 3.72% lower as compared with the corresponding quarter. This decrease was mainly due to lesser service orders of data printing.

The segment reported a loss before tax for the current quarter of RM0.39 million which was 223.69% higher as compared with the corresponding quarter. The higher losses was mainly due to increase in staff costs, depreciation of right-of-use assets and lower in revenue recorded in current quarter ended 31 December 2022.

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NOTES TO THE INTERIM FINANCIAL REPORT
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B1. Review of Performance of Operating Segments (Cont'd)

Current Quarter (3 months) (Cont'd)

Commercial Printing

The revenue of this segment contributed RM1.69 million in the current quarter. It was 251.04% higher as compared with the corresponding quarter. The increase was mainly due to secured service orders from IT services project.

The profit before tax for the current quarter was RM0.99 million. It was 693.60% higher as compared with the corresponding quarter. The higher profit before tax was mainly due to secured order from IT services in current quarter.

Flexible Packaging

This segment registered a revenue of RM3.23 million in the current quarter. It was 1.20% lower as compared with the corresponding quarter. The lower revenue was mainly due to decreased orders of printed lamination wraps.

A loss before tax for the current quarter was RM0.34 million. There was 4.97% improvement as compared with the corresponding quarter. The losses was mainly due to higher labour costs, depreciation of right-of-use assets, upkeep of factory, upkeep of plant & machinery and finance costs incurred in the current quarter.

Cumulative Quarter (9 months)

	Cumulative Quarter (Unaudited) 31 Dec 2022 RM'000	Cumulative Quarter (Unaudited) 31 Dec 2021 RM'000	Changes (RM'000 / %)
Revenue	21,005	20,146	859/ 4.26%
Operating loss	(3,684)	(927)	(2,757)/ (297.41%)
(Loss)/Profit before interest and tax	(935)	62,351	(63,286)/ (101.50%)
(Loss)/Profit before tax	(1,116)	62,221	(63,337)/ (101.79%)
(Loss)/Profit after tax	(1,609)	61,931	(63,540)/ (102.60%)
(Loss)/Profit attributable to owners of the Company	(1,568)	61,910	(63,478)/ (102.53%)

For the cumulative quarter ended 31 December 2022, the Group recorded revenue of RM21.00 million as compared to RM20.15 million in the corresponding cumulative quarter, an increase of RM0.86 million or 4.26%. The higher revenue was mainly due to the increase in revenue contribution from commercial printing business segment.

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NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE THIRD (3rd) QUARTER ENDED 31 DECEMBER 2022

B1. Review of Performance of Operating Segments (Cont'd)

Cumulative Quarter (9 months) (Cont'd)

The Group recorded loss before tax of RM1.12 million in current cumulative quarter as compared to profit before tax of RM62.22 million in the corresponding cumulative quarter, a decrease of RM63.34 million or 101.79%. The lower profit before tax was mainly due to in the absence of non-recurring gain on disposal of properties amounting to RM63.15 million in cumulative quarter as it had been recognized in corresponding cumulative quarter.

Business Forms and Data Print Services

The revenue of this segment contributed RM9.56 million in the current cumulative quarter. It was 0.67% lower as compared with the corresponding cumulative quarter. The decrease was mainly due to lower service order of data printing.

This segment reported a loss before tax for the current cumulative quarter of RM1.58 million which was 610.72% higher as compared with the corresponding cumulative quarter. The higher losses was mainly due to increase in trade event expenses, staff costs, electricity expense, depreciation of right-of-use assets, upkeep of factory and upkeep of plant & machinery incurred in the current cumulative quarter ended 31 December 2022.

Commercial Printing

The revenue of this segment contributed RM2.03 million in the current cumulative quarter. It was 75.78% higher as compared with the corresponding cumulative quarter. The increase was due to secured service order of IT services.

The profit before tax for the cumulative quarter was RM1.10 million. It was 86.35% lower as compared with the corresponding cumulative quarter. The lower profit before tax was due to in the absence of non-recurring gain on disposal of properties amounting to RM7.93 million in the current cumulative quarter as it had been recognised in corresponding cumulative quarter.

Flexible Packaging

This segment registered a revenue of RM9.67 million in the current cumulative quarter. It was 0.86% higher as compared with the corresponding cumulative quarter. The increase was due to decrease in service orders of export printed lamination wraps.

A loss before tax for the cumulative quarter was RM1.01 million. It was 6.01% higher as compared with the corresponding cumulative quarter. The higher losses recorded in the current cumulative quarter was mainly due to higher labour costs, depreciation of right-of-use asset, upkeep of factory, upkeep of plant & machinery and finance costs incurred in the current cumulative quarter.

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B2. Comparison with Immediate Preceding Quarter's results

	<----- Quarter ended ----->			
	(Unaudited)	(Unaudited)		
	31 Dec 2022 RM'000	30 Sep 2022 RM'000	Changes RM'000	Changes %
Revenue	8,078	6,542	1,536	23.48
Operating loss	(1,673)	(1,528)	(145)	(9.49)
Profit/(Loss) before interest and tax	534	(1,112)	1,646	148.02
Profit/(Loss) before tax	475	(1,176)	1,651	140.39
Profit/(Loss) after tax	55	(1,224)	1,279	104.49
Profit/(Loss) attributable to owners of the Company	74	(1,210)	1,284	106.12

For the current quarter ended 31 December 2022, the Group recorded revenue of RM8.08 million and Profit before tax of RM0.48 million as compared to revenue of RM6.54 million and loss before tax of RM1.18 million registered in the immediate preceding quarter ended 30 September 2022.

The revenue in the current quarter was 23.48% higher than revenue registered in the immediate preceding quarter. The improvement in revenue was mainly due to higher revenue reported by our business forms & data print services business segment and commercial printing business segment. The profit before tax reported in the current quarter by RM0.48 million was mainly due to secured service order from IT services, increase of interest income of RM0.35 million and save of trade event expenses of RM0.44 million which incurred in immediate preceding quarter.

B3. Prospects

The Management expects performance in the next financial quarters to remain sluggish in view of the weaker demand and challenging economic environment caused by rising raw material prices, higher oil prices and the stronger US dollar.

The Group has carried out some positive strategies as below to mitigate the above risks:

(a) Penetrate into electric vehicle industry

CFM had on 26 September 2022 entered into the Heads of Agreement with EA Mobility Holding Co. Ltd. The Group recognises that new opportunities emerge in the electric vehicle industry. The incorporated joint venture company, namely Energy Absolute (M) Sdn Bhd will allow the Group to diversify into the electric vehicle industry which is expected to provide sustainable income stream in addition to the Group's current income stream.

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B3. Prospects (Cont'd)

(a) Penetrate into electric vehicle industry (Cont'd)

The electric vehicle market in Malaysia is estimated to expand. One of the major determinants for the surging growth in coming years is attributed to the government initiatives and policies supporting the electric vehicle industry such as exemption of import duty, excise and sales tax for electric vehicles till 2023 and 2025 respectively. In addition, personal tax relief of up to RM2,500 for the costs of the purchase, installation, rental, and subscription fees for electric vehicle charging facilities for income tax assessment years 2022 and 2023 will catalyze the growth of the industry.

(b) Relocation of factories and upgrade of machineries

The Group needs to acquire 2 factory buildings and to relocate its operations to avoid interruption of company business. The Group needs to invest new machineries and equipment (printing machine, laminator machine, extruder, slitter machine and bag making machine) to enhance production packaging business as most of the existing equipment and machineries are more than 20 years old.

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.

B6. Taxation

	Individual Quarter Ended (Unaudited)		Cumulative Quarter Ended (Unaudited)	
	31 Dec 2022 RM'000	31 Dec 2021 RM'000	31 Dec 2022 RM'000	31 Dec 2021 RM'000
Income tax expense: current financial period	420	-	493	290
Total tax expense	420	-	493	290

The effective tax rate of the Group for the current quarter and financial period to date is higher than the statutory tax rate mainly due to there were certain non-tax deductible expenses in the financial report.

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B7. Status of Corporate Proposals

(I) Status of corporate proposals announced but not completed

Multiple Proposals

On 21 June 2022, the Company (“CFM”) announced the following proposals-

- (i) Proposed private placement of up to 61,500,000 new ordinary shares in the CFM, representing up to 30% of the total number of issued shares of CFM to independent third-party investors to be identified later and at an issue price to be determined later. (“**Proposed Private Placement**”);
- (ii) Proposed bonus issue of up to 133,250,000 warrants in CFM (“**Warrants**”) on the basis of 1 Warrant for every 2 ordinary shares in CFM held on an entitlement date to be determined and announced later (“**Proposed Bonus Issue of Warrants**”); and
- (iii) Proposed establishment of a share issuance scheme of up to 15% of the total number of issued shares of CFM (excluding treasury shares, if any) to the eligible directors and eligible employees of CFM and its subsidiaries (“**Proposed SIS**”).

The above proposals were approved by the shareholders of the Company at an Extraordinary General Meeting held on 1st August 2022.

Proposed Private Placement

On 7 September 2022, 30,000,000 new ordinary shares being the first tranche of the Placement Shares for the Private Placement have been listed on the Main Market of Bursa Securities at RM0.9640 per share.

On 7 October 2022, there were 26,000,000 new ordinary shares being the second tranche of the Placement Shares for the Private Placement have been listed on the Main Market of Bursa Securities at RM1.0950 per share.

On 5 January 2023, the Bursa Securities had resolved to grant the Company an extension of time until 4 July 2023 to implement and complete the remaining Private Placement.

On 19 January 2023, there were 5,500,000 new ordinary shares being the third and final tranche of the Placement Shares for the Private Placement have been listed on the Main Market of Bursa Securities at RM2.3750 per share. Thus, the Private Placement had been completed on 19 January 2023.

Bonus Issue of Warrants

The Bonus Issue of Warrants was completed following the listing and quotation of 130,499,994 Warrants at the price of RM1.16 per Warrants on the Main Market of Bursa Securities dated 30 December 2022.

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B7. Status of Corporate Proposals (Cont'd)

(I) Status of corporate proposals announced but not completed (Cont'd)

Proposed SIS

On 3 January 2023, CFM announced the effective date of the implementation of the SIS, being the date on which the Company is in full compliance with all relevant requirements including Paragraph 6.43(1) of the Listing Requirements.

Proposed Joint Venture

On 5 January 2023, the Board announced the Company entered into Joint Venture Agreement with EA Mobility Holding Co. Ltd. ("EA Mobility Holding") to set out the Parties' respective rights, duties and obligations with respect to the JVCO established for the purpose of conducting business across Malaysia, including but not limited to selling, distribution, assembling and production of electric vehicles, transports and related accessories and infrastructures which shall include products known as E-truck, E-ferry and electric vehicle charger via the JVCO ("Joint Venture Agreement") ("Proposed Joint Venture")

(II) Status of utilisation of proceeds raised from corporate proposals

a) The Company has used the proceeds from the sale of lands in 2021 in the following manner:-

Utilisation of proceeds	Intended timeframe for utilisation from 15 September 2021	Actual proceeds raised (RM'000)	Actual utilisation up to 13/02/2023 (RM'000)	Balance available for utilisation (RM'000)
(i) Rental payments	Within 24 months	2,659	(1,841)	818
(ii) Special interim dividend	Within 1 month from completion of Proposed Disposal of Lot 1	41,000	(41,000)	-
(iii) Repayment of borrowings	Within 1 month from completion of Proposed Disposal of Lot 1	3,624	(3,624)	-
(iv) Estimated expenses	Immediate	500	(500)	-
(v) Working capital	Within 24 months	43,317	(2,219)	41,098
Total		91,100	(49,184)	41,916

There was no deviation between the approved utilization amount and actual utilized amount.

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B7. Status of Corporate Proposals (Cont'd)

(II) Status of utilisation of proceeds raised from corporate proposals

- b) The Company has used the proceeds from the Private Placement in the following manner:-

Utilisation of proceeds	Intended timeframe for utilisation from 07 September 2022	Actual proceeds raised (RM'000)	Actual utilisation up to 13/02/2023 (RM'000)	Balance available for utilisation (RM'000)
(i) Capital expenditure of the Group	Within 18 months	56,640	(56,640)	-
(ii) Estimated expenses for the Proposals	Immediate	750	(750)	-
Total		57,390	(57,390)	-

There was no deviation between the approved utilization amount and actual utilized amount.

B8. Borrowings and Debt Securities

The Group's borrowings, all repayable in Ringgit Malaysia and secured, as at the end of the quarter under review are as follows:

	As at 31 Dec 2022		
	Long term RM'000	Short term RM'000	Total RM'000
Secured			
(i) Bank borrowings			
Banker acceptances	-	2,807	2,807
Bank overdraft	-	1,248	1,248
	-	4,055	4,055
(ii) Lease liabilities	250	443	693
Grand total	250	4,498	4,748

The Group does not have any foreign currency denomination bank borrowings and debt securities as at the current reporting period.

B9. Changes in Material Litigation

As at 13 February 2023 (the latest practicable date which is not earlier than 7 days from the date of issue of this interim financial report), the Group is not involved in any litigations or arbitrations, either as a defendant or plaintiff, which has a material effect on the financial position of the Group, and the Board is not aware of any proceedings pending or of any fact likely to give rise to any proceedings.

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B10. Dividend Proposed/Declared

There was no dividend proposed/declared for the current financial period under review.

B11. Earnings/(Loss) Per Share

a) Basic Earnings/(Loss) Per Share

	Individual Quarter		Cumulative Quarter	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	31 Dec 22	31 Dec 21	31 Dec 22	31 Dec 21
Profit/(Loss) attributable to owners of the Company (RM'000)	74	272	(1,568)	61,910
Weighted average number of shares in issue ('000)	259,304	205,000	225,785	127,473
Basic ⁽¹⁾ Earnings/(Loss) per share (sen)	0.03	0.13	(0.69)	48.57

b) Diluted Earnings/(Loss) Per Share

	Individual Quarter		Cumulative Quarter	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	31 Dec 22	31 Dec 21	31 Dec 22	31 Dec 21
Profit/(Loss) attributable to owners of the Company (RM'000)	74	272	(1,568)	61,910
Weighted average number of shares in issue ('000)	259,304	205,000	225,785	127,473
Effective of dilution from conversion of warrants ('000)	130,500	-	130,500	-
Adjusted weighted average number of share in issue ('000)	389,804	205,000	365,285	127,473
Diluted ⁽²⁾ Earnings/(Loss) per share (sen)	0.02	0.13	(0.43)	48.57

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B11. Earnings/(Loss) Per Share (Cont'd)

Notes:

- (1) Basic earnings/(loss) per share for the quarter and cumulative quarter is calculated based on the net profit/(loss) attributable to owners of the Company divided by the weighted average number of ordinary shares for the quarter and cumulative quarter respectively.
- (2) Diluted earnings/(loss) per share of the Company for the current quarter and cumulative quarter is computed based on the profit/(loss) attributable to the owners of the Company divided by the weighted average number of ordinary shares in issue during the financial period, adjusted for the effects of dilutive potential ordinary shares.

B12. Financial Instruments

- (a) Derivatives
There were no outstanding derivatives as at 31 December 2022.
- (b) Gain/(Loss) arising from fair value changes in financial liabilities
There were no gain/(loss) arising from fair value changes in financial liabilities during the current quarter and period to date.

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B13. Disclosure on selected expense/ (income) items as required by the Listing Requirements

	Current Quarter ended 31 Dec 22 RM'000	Cumulative Quarter 31 Dec 22 RM'000
a) Interest income	(1,444)	(1,796)
b) Other income (exclude interest income)	(763)	(954)
c) Interest expense	59	181
d) Depreciation	972	1,683
e) Provision for and write off of receivables	-	-
f) Provision for and write off of inventories	-	-
g) Gain or loss on disposal of quoted and unquoted investments or properties	-	-
h) Impairment of assets	-	-
i) Foreign exchange (gain)/loss	-	-
j) Gain or loss on derivatives	-	-
k) Exceptional items	-	-

BY ORDER OF THE BOARD
20 February 2023