



COMPUTER FORMS (MALAYSIA) BERHAD

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

AND

**PRESENTATION OF THE UNAUDITED FINANCIAL RESULT
FOR THE PERIOD ENDED 31 MARCH 2023
TO THE AUDIT COMMITTEE**

29 MAY 2023

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

INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2023

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2023**

(The figures are unaudited)

	Note	Individual Quarter		Cumulative Quarter	
		(Unaudited) 31 Mar 23 (RM'000)	(Unaudited) 31 Mar 22 (RM'000)	(Unaudited) 31 Mar 23 (RM'000)	(Audited) 31 Mar 22 (RM'000)
Continuing Operations:					
Revenue	A9	6,989	7,033	27,994	27,177
Cost of Sales		(6,191)	(6,043)	(24,338)	(23,350)
Gross Profit		798	990	3,656	3,827
Other Income		(908)	804	1,841	64,082
Administrative Expenses		(587)	(725)	(5,558)	(3,122)
Selling and Marketing Expenses		(350)	(387)	(1,383)	(1,350)
Other Expenses		305	(516)	(233)	(921)
(Loss)/ Profit from operations		(742)	166	(1,677)	62,516
Finance Costs		(53)	(87)	(234)	(217)
(Loss)/ Profit Before Tax	A9	(795)	79	(1,911)	62,299
Taxation	B6	109	(2,208)	(384)	(2,497)
(Loss)/ Profit For The Period		(686)	(2,129)	(2,295)	59,802
Other Comprehensive Income		-	-	-	-
Total Comprehensive (Loss)/ Income For The Period		(686)	(2,129)	(2,295)	59,802
(Loss)/ Profit Attributable to:					
Owners of the parent		(684)	(2,225)	(2,252)	59,685
Non- Controlling Interest		(2)	96	(43)	117
		(686)	(2,129)	(2,295)	59,802
Total Comprehensive (Loss)/ Income Attributable to:					
Owners of the parent		(684)	(2,225)	(2,252)	59,685
Non- Controlling Interest		(2)	96	(43)	117
		(686)	(2,129)	(2,295)	59,802
(Loss)/ Earnings Per Share - Basic/Diluted (sen)	B11	(0.26)	(1.09)	(0.96)	29.11

(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 PERIOD ENDED 31 MARCH 2023

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

(The figures are unaudited)

	(Unaudited) As At 31 March 23 (RM'000)	(Audited) As At 31 March 22 (RM'000)
ASSETS		
<u>Non-Current Assets</u>		
Property, Plant and Equipment	1,534	1,811
Investment Properties	219	288
Investment in Quoted Shares	5,555	-
Right-of-use Assets	763	1,062
	<u>8,071</u>	<u>3,161</u>
<u>Current Assets</u>		
Inventories	6,517	7,668
Trade and Other Receivables	90,770	10,231
Tax Recoverable	215	194
Fixed Deposits	31,497	45,293
Cash and Bank Balances	4,562	8,959
	<u>133,561</u>	<u>72,345</u>
Total Assets	<u>141,632</u>	<u>75,506</u>
EQUITY AND LIABILITIES		
<u>Equity Attributable to Owners of The Parent</u>		
Share Capital	112,189	41,000
Retained Earnings	20,423	22,675
	<u>132,612</u>	<u>63,675</u>
Non-Controlling Interest	2,352	2,395
Total Equity	<u>134,964</u>	<u>66,070</u>
<u>Non-Current Liabilities</u>		
Deferred Taxation	98	98
Lease Liabilities	188	255
Total Non-Current Liabilities	<u>286</u>	<u>353</u>
<u>Current Liabilities</u>		
Trade and Other Payables	2,375	2,955
Lease Liabilities	524	821
Short-Term Borrowings	3,065	4,006
Current Tax Liability	418	1,301
Total Current Liabilities	<u>6,382</u>	<u>9,083</u>
Total Liabilities	<u>6,668</u>	<u>9,436</u>
Total Equity and Liabilities	<u>141,632</u>	<u>75,506</u>
Net Assets Per Share (RM)	<u>0.50</u>	<u>0.31</u>

(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 PERIOD ENDED 31 MARCH 2023

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2023

(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)		
<u>Audited</u>					
As at 1 April 2021	41,000	3,990	44,990	2,278	47,268
Total Comprehensive Income For The Year	-	59,685	59,685	117	59,802
Dividend paid	-	(41,000)	(41,000)	-	(41,000)
As at 31 March 2022	41,000	22,675	63,675	2,395	66,070
<u>Unaudited</u>					
As at 1 April 2022	41,000	22,675	63,675	2,395	66,070
Issuance Of Ordinary Shares	71,706	-	71,706	-	71,706
Share Issuance Expenses	(517)	-	(517)	-	(517)
Total Comprehensive Loss For The Period	-	(2,252)	(2,252)	(43)	(2,295)
As at 31 March 2023	112,189	20,423	132,612	2,352	134,964

(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 PERIOD ENDED 31 MARCH 2023

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2023
(The figures are unaudited)

	(Unaudited) 12 months ended 31 Mar 23 (RM'000)	(Audited) 12 months ended 31 Mar 22 (RM'000)
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/ Profit before tax	(1,911)	62,299
Adjustments for:		
Depreciation of property, plant and equipment	619	788
Depreciation of right-of-use assets	1,557	785
Depreciation of investment properties	69	87
Interest income	(1,417)	(230)
Interest expense	234	217
Other non-cash/non-operational items	(42)	693
Loss on investment in quoted shares	506	-
Gain on disposal of investment property	-	(7,955)
Gain on disposal of property, plant and equipment	-	(55,755)
Operating (loss)/ profit before working capital changes	<u>(385)</u>	<u>929</u>
Working capital changes:		
Inventories	1,151	251
Receivables	(80,499)	123
Payables	(580)	366
Cash (outflows)/ inflows from operations	<u>(80,313)</u>	<u>1,669</u>
Tax paid	(2,546)	(3,192)
Tax refunded	1,259	210
Interest paid	(234)	(217)
Interest received	1,417	230
Net cash outflows from operating activities	<u>(80,417)</u>	<u>(1,300)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(342)	(269)
Acquisition of right-of-use assets	(1,258)	-
Acquisition of quoted shares	(6,060)	-
Proceeds from disposal of investment property	-	10,700
Proceeds from disposal of property, plant and equipment	-	80,475
Increase in fixed deposit pledged with banks	(256)	(1,648)
Net cash (outflows)/ inflows from investing activities	<u>(7,916)</u>	<u>89,258</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	(364)	(949)
Proceeds from issuance of ordinary shares	71,706	-
Share issuance expenses	(517)	-
Repayment of short term borrowings	(16)	(320)
Dividend paid	-	(41,000)
Net cash inflows/ (outflows) from financing activities	<u>70,809</u>	<u>(42,269)</u>
NET (DECREASE)/INCREASE IN CASH & CASH EQUIVALENTS	(17,524)	45,689
CASH & CASH EQUIVALENTS AT BEGINNING OF THE YEAR	49,871	4,182
CASH & CASH EQUIVALENTS AT THE END OF THE PERIOD/YEAR	<u>32,347</u>	<u>49,871</u>

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

	As at 31 Mar 23 (RM'000)	As at 31 Mar 22 (RM'000)
Cash and bank balances	4,562	8,959
Fixed deposits	31,497	45,293
Bank overdrafts	(832)	(1,757)
	<u>35,227</u>	<u>52,495</u>
Less Fixed deposit pledged to banks	(2,880)	(2,624)
	<u>32,347</u>	<u>49,871</u>

(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 PERIOD ENDED 31 MARCH 2023

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.

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 – Comparative Information
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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

COMPUTER FORMS (MALAYSIA) BERHAD

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2023

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
Amendments to MFRS 101 Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 16 Lease Liability in a Sale and Leaseback	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. Change of Financial Year End

On 29 March 2023, the Company announced that the Board of Directors of the Company has approved the change of financial year end from 31 March to 30 September. Thus, the financial statements will be presented up from 1 April 2022 to 30 September 2023 covering a period of 18 months.

A3. Explanatory Comments about the Seasonality or Cyclicity of Interim Operations

The operations of the Group are not significantly affected by seasonal or cyclical factors.

A4. 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.

A5. 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.

COMPUTER FORMS (MALAYSIA) BERHAD
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NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 31 MARCH 2023

A6. 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.

A7. 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, 26,000,000 and 5,500,000 new ordinary shares listed on the Main Market of Bursa Malaysia Securities Berhad in September 2022, October 2022 and January 2023 respectively via private placement.

Conversion of Warrants to Ordinary Shares

The Company issued 146,000, 235,000, 100,000, 229,000, 210,000 and 161,000 new ordinary shares at RM1.16 per Warrants arising from the conversion of warrants dated 27 January 2023, 09 February 2023, 15 February 2023, 24 February 2023, 28 February 2023 and 8 March 2023 respectively. The number of unexercised Warrants at the end of current quarter is 129,418,994.

A8. Dividends Paid

There was no dividend paid during the current quarter under review.

A9. 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.

COMPUTER FORMS (MALAYSIA) BERHAD
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NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 31 MARCH 2023

A9. Operating Segmental Information (Cont'd)

(Unaudited) Current Quarter	Business Forms and Data Print Services RM'000	Commercial Printing RM'000	Flexible Packaging RM'000	Others/ Elimination RM'000	Consolidated RM'000
31 Mar 2023					
Revenue					
External revenue	3,537	272	3,182	(2)	6,989
Inter-segment revenue	70	-	85	(155)	-
Total revenue	<u>3,607</u>	<u>272</u>	<u>3,267</u>	<u>(157)</u>	<u>6,989</u>
Results					
Other income	399	28	180	(1,515)	(908)
Loss from operations	(571)	(485)	(359)	1,581	166
Finance costs	(20)	-	(33)	-	(53)
Loss before tax					<u>(795)</u>
Taxation					109
Loss for the period					<u>(686)</u>
31 Mar 2022					
Revenue					
External revenue	3,274	(71)	3,765	65	7,033
Inter-segment revenue	91	27	21	(139)	-
Total revenue	<u>3,365</u>	<u>(44)</u>	<u>3,786</u>	<u>(74)</u>	<u>7,033</u>
Results					
Other income	22	292	244	246	804
Loss from operations	(18,101)	(226)	(433)	18,122	(638)
Finance costs	(21)	(2)	(64)	-	(87)
Profit before tax					<u>79</u>
Taxation					(2,208)
Loss for the period					<u>(2,129)</u>

COMPUTER FORMS (MALAYSIA) BERHAD
Registration No.: 196101000393 (4423-H)
NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 31 MARCH 2023

A9. Operating Segmental Information (Cont'd)

(Unaudited) Cumulative Quarter	Business Forms and Data Print Services RM'000	Commercial Printing RM'000	Flexible Packaging RM'000	Others/ Elimination RM'000	Consolidated RM'000
31 Mar 2023					
Revenue					
External revenue	12,946	2,260	12,790	(2)	27,994
Inter-segment revenue	221	37	142	(400)	-
Total revenue	<u>13,167</u>	<u>2,297</u>	<u>12,932</u>	<u>(402)</u>	<u>27,994</u>
Results					
Other income	805	180	495	361	1,841
(Loss)/Profit from operations	(2,514)	467	(1,551)	80	(3,518)
Finance costs	(67)	-	(167)	-	(234)
Loss before tax					<u>(1,911)</u>
Taxation					<u>(384)</u>
Loss for the period					<u>(2,295)</u>
(Audited) Cumulative Quarter					
31 Mar 2022					
Revenue					
External revenue	12,332	1,041	13,301	503	27,177
Inter-segment revenue	657	67	68	(792)	-
Total revenue	<u>12,989</u>	<u>1,108</u>	<u>13,369</u>	<u>(289)</u>	<u>27,177</u>
Results					
Other income	54,136	8,224	268	1,454	64,082
Loss from operations	(18,303)	(70)	(1,317)	18,124	(1,566)
Finance costs	(56)	(2)	(159)	-	(217)
Profit before tax					<u>62,299</u>
Taxation					<u>(2,497)</u>
Profit for the year					<u>59,802</u>

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NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 31 MARCH 2023

A10. 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.

A11. 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.

A12. Effect of Changes in the Composition of the Group

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

A13. Capital Commitments

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

	(Unaudited) As at 31.03.23 RM'000	(Audited) As at 31.03.22 RM'000
Authorised and contracted for		
- Property, plant and equipment	6,136	19

A14. 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, except for:-

	(Unaudited) As at 31.03.23 RM'000	(Audited) As at 31.03.22 RM'000
Secured		
Bank guarantees given to third parties	146	146
Unsecured		
Bank guarantees given to third parties	4	4
	150	150

COMPUTER FORMS (MALAYSIA) BERHAD

Registration No.: 196101000393 (4423-H)

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2023

A15. 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 Mar 2023 RM'000	Individual Quarter (Unaudited) 31 Mar 2022 RM'000	Changes (RM'000 / %)
Revenue	6,989	7,033	(44)/ (0.63%)
Operating profit/(loss)	166	(638)	804/ (126.02%)
(Loss)/Profit before interest and tax	(742)	166	(908)/ (546.99%)
(Loss)/Profit before tax	(795)	79	(874)/ (1,106.33%)
Loss after tax	(686)	(2,129)	1,443/ 67.78%
Loss attributable to owners of the Company	(684)	(2,225)	1,541/ 69.26%

Current Quarter (3 months)

For the current quarter ended 31 March 2023, the Group recorded revenue of RM6.99 million as compared to RM7.03 million in the corresponding quarter, the decrease of RM0.04 million or 0.63%. The lower revenue was mainly due to a decrease in revenue contribution from flexible packaging business segment.

The Group recorded loss before tax of RM0.80 million in current quarter as compared to profit before tax of RM0.08 million in the corresponding quarter, an decrease of RM0.87 million or 1,106.33%.

Business Forms and Data Print Services

The revenue of this segment contributed RM3.54 million in the current quarter. It was 8.03% higher as compared with the corresponding quarter. This increase was mainly due higher demand for security products and business forms.

This segment reported a loss before tax for the current quarter of RM0.19 million which was 176.22% higher in losses as compared with the corresponding quarter. The higher losses were mainly due to increase in staff costs, professional fee and trade event expenses recorded in current quarter ended 31 March 2023.

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2023

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

Current Quarter (3 months) (Cont'd)

Commercial Printing

The revenue of this segment contributed RM0.27 million in the current quarter. It was RM0.34 million higher as compared with the corresponding quarter. The higher was due to higher service orders from cigarette papers.

The loss before tax for the current quarter was RM0.46 million. It was RM0.52 million higher in losses as compared with the corresponding quarter. The higher loss before tax was mainly due to unrealized loss on investment in quoted shares.

Flexible Packaging

This segment registered a revenue of RM3.18 million in the current quarter. It was 15.48% lower as compared with the corresponding quarter. The lower revenue was mainly due to decreased service orders of printed lamination wraps and plain jobs.

A loss before tax for the current quarter was RM0.21 million. There was RM0.04 million lower in losses as compared with the corresponding quarter. The lower in losses was mainly due to lower finance costs and better cost management in selling and distribution expenses.

Cumulative Quarter (12 months)

	Cumulative Quarter (Unaudited) 31 Mar 2023 RM'000	Cumulative Quarter (Audited) 31 Mar 2022 RM'000	Changes (RM'000 / %)
Revenue	27,994	27,177	817/ 3.01%
Operating loss	(3,518)	(1,566)	(1,952)/ (124.65%)
(Loss)/Profit before interest and tax	(1,677)	62,516	(64,193)/ (102.68%)
(Loss)/Profit before tax	(1,911)	62,299	(64,210)/ (103.07%)
(Loss)/Profit after tax	(2,295)	59,802	(62,097)/ (103.84%)
(Loss)/Profit attributable to owners of the Company	(2,252)	59,685	(61,937)/ (103.77%)

For the cumulative quarter ended 31 March 2023, the Group recorded revenue of RM27.99 million as compared to RM27.18 million in the corresponding cumulative quarter, an increase of RM0.82 million or 3.01%. The higher revenue was mainly due to the increase in revenue contribution from business forms and data print services business segment and commercial printing business segment.

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NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 31 MARCH 2023

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

Cumulative Quarter (12 months) (Cont'd)

The Group recorded loss before tax of RM1.91 million in current cumulative quarter as compared to profit before tax of RM62.30 million in the corresponding cumulative quarter, a decrease of RM64.21 million or 103.07%. 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 RM12.95 million in the current cumulative quarter. It was 4.98% higher as compared with the corresponding cumulative quarter. The increase was mainly due to more service orders demanded from security products and data printing service.

This segment reported a loss before tax for the current cumulative quarter of RM1.77 million which was RM1.80 million higher in losses as compared with the corresponding cumulative quarter. The higher losses was mainly due to higher in trade event expenses, professional fee, staff costs, electricity expense and depreciation of right-of-use assets incurred in the current cumulative quarter ended 31 March 2023.

Commercial Printing

The revenue of this segment contributed RM2.30 million in the current cumulative quarter. It was 117.10% higher as compared with the corresponding cumulative quarter. The increase was mainly due to higher service order of IT services.

The profit before tax for the cumulative quarter was RM0.65 million. It was 92.06% 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 RM12.79 million in the current cumulative quarter. It was 3.84% lower as compared with the corresponding cumulative quarter. The decrease was due to lower service orders of printed lamination wraps and plain jobs.

A loss before tax for the cumulative quarter was RM1.22 million. It was RM0.02 million higher as compared with the corresponding cumulative quarter. The higher losses recorded in the current cumulative quarter was mainly due to lower revenue recorded in the current cumulative quarter.

COMPUTER FORMS (MALAYSIA) BERHAD
Registration No.: 196101000393 (4423-H)
NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 31 MARCH 2023

B2. Comparison with Immediate Preceding Quarter's results

	<----- Quarter ended ----->			
	(Unaudited)	(Unaudited)	Changes	Changes
	31 Mar 2023 RM'000	31 Dec 2022 RM'000	RM'000	%
Revenue	6,989	8,078	(1,089)	(13.48)
Operating profit/(loss)	166	(1,673)	1,839	109.92
(Loss)/Profit before interest and tax	(742)	534	(1,276)	(238.95)
(Loss)/Profit before tax	(795)	475	(1,270)	(267.37)
(Loss)/Profit after tax	(686)	55	(741)	(1,347.27)
(Loss)/Profit attributable to owners of the Company	(684)	74	(758)	(1,024.32)

For the current quarter ended 31 March 2023, the Group recorded revenue of RM6.99 million and loss before tax of RM0.80 million as compared to revenue of RM8.08 million and profit before tax of RM0.48 million registered in the immediate preceding quarter ended 31 December 2022.

The revenue in the current quarter was 13.48% lower than revenue registered in the immediate preceding quarter. The decrease in revenue was mainly due to lower revenue reported by our business forms & data print services business segment and flexible packaging business segment. The increase in loss before tax reported in the current quarter by RM1.27 million was mainly due to increase of material costs, trade event expenses, electricity charges and unrealized loss on investment in quoted shares which incurred in current 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.

(c) Stay up to date with industry trends

Continuously monitor industry trends and technological advancements in the printing sector. This allows the Group to adapt business plan to incorporate emerging technologies and stay ahead of the competition.

(d) Enhance customer experience

Focus on providing exceptional customer service throughout the entire servicing process. Ensure prompt responses to inquiries, offer reliable delivery and maintain consistent services quality. Actively seek feedback from clients and make necessary improvements to exceed their expectations. Satisfied customers are more likely to return and refer our services to others.

(e) Provide value-added services

Expand the Group offerings beyond printing by providing some related value-added services. It can increase customer loyalty and generate additional revenue.

(f) Embrace digitalization

Incorporate digital technologies into the Group's printing processes. Invest in high-quality digital printers, software solutions for workflow automation. This allows the Group to streamline operations, reduce costs and offer faster turnaround times to customers.

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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		Cumulative Quarter Ended	
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	31 Mar	31 Mar	31 Mar	31 Mar
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Income tax expense:				
Current financial period	(109)	2,070	384	2,359
Overprovision in prior period	-	(16)	-	(16)
	(109)	2,054	384	2,343
Deferred taxation:				
Current financial period	-	(18)	-	(18)
Underprovision in prior period	-	(1,899)	-	(1,899)
	-	(1,917)	-	(1,917)
Real Property Gains Tax	-	2,071	-	2,071
Total tax (income)/expense	(109)	2,208	384	2,497

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.

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**");

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B7. Status of Corporate Proposals (Cont'd)

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

Multiple Proposals (Cont'd)

- (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.

No options were granted to eligible persons to take up SIS of the Company as of the end of the current quarter.

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 Joint Venture Company 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 Joint Venture Company.

(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 22/05/2023 (RM'000)	Balance available for utilisation (RM'000)
(i) Rental payments	Within 24 months	2,659	(2,284)	375
(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	(11,000)	32,317
Total		91,100	(58,408)	32,692

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 (Cont'd)

- 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 22/05/2023 (RM'000)	Balance available for utilisation (RM'000)
(i) Capital expenditure of the Group	Within 18 months	70,847	(69,634)	1,213
(ii) Estimated expenses for the Proposals	Immediate	859	(859)	-
Total		71,706	(70,493)	1,213

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

B8. Borrowings and Lease Liabilities

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

	As at 31 Mar 2023 (Unaudited)		
	Long term RM'000	Short term RM'000	Total RM'000
Secured			
(i) Bank borrowings			
Banker acceptances	-	2,233	2,233
Bank overdrafts	-	832	832
	-	3,065	3,065
(ii) Lease liabilities	188	524	712
Grand total	188	3,589	3,777

	As at 31 Mar 2022 (Audited)		
	Long term RM'000	Short term RM'000	Total RM'000
Secured			
(i) Bank borrowings			
Banker acceptances	-	2,249	2,249
Bank overdrafts	-	1,757	1,757
	-	4,006	4,006
(ii) Lease liabilities	255	821	1,076
Grand total	255	4,827	5,082

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B8. Borrowings and Debt Securities (Cont'd)

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 22 May 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.

B10. Dividend Proposed/Declared

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

B11. (Loss)/Earnings Per Share

a) Basic (Loss)/Earnings Per Share

	Individual Quarter		Cumulative Quarter	
	(Unaudited) 31 Mar 23	(Unaudited) 31 Mar 22	(Unaudited) 31 Mar 23	(Audited) 31 Mar 22
(Loss)/Profit attributable to owners of the Company (RM'000)	(684)	(2,225)	(2,252)	59,685
Weighted average number of shares in issue ('000)	265,896	205,000	235,676	205,000
Basic ⁽¹⁾ /Diluted ⁽²⁾ (Loss)/Earnings per share (sen)	(0.26)	(1.09)	(0.96)	29.11

Notes:

- (1) Basic (loss)/earnings per share for the quarter and cumulative quarter is calculated based on the net (loss)/profit attributable to owners of the Company divided by the weighted average number of ordinary shares for the quarter and cumulative quarter respectively.
- (2) Diluted (loss)/earnings per share of the Company for the current quarter and cumulative quarter is equivalent to the basic (loss)/earnings per share as the effects on the assumed exercise of the share options under warrants is anti-dilutive.

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B12. Financial Instruments

- (a) Derivatives
There were no outstanding derivatives as at 31 March 2023.
- (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.

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

	(Unaudited) Current Quarter ended 31 Mar 23 RM'000	(Unaudited) Cumulative Quarter 31 Mar 23 RM'000
Loss before taxation is arrived after charging/ (crediting):-		
a) Interest income	379	(1,417)
b) Other income (exclude interest income)	529	(425)
c) Interest expense	53	234
d) Depreciation of property, plant and equipment	160	619
e) Depreciation of right-of-use assets	385	1,557
f) Depreciation of investment properties	17	69
g) Impairment loss on receivables	-	-
h) Inventories write off	-	-
i) Loss on disposal of quoted investments		
- realised	-	-
- unrealised	506	506
j) Foreign exchange loss		
- realised	-	-
- unrealised	1	1
k) Gain or loss on derivatives	-	-
l) Other material items not disclosed above	-	-

BY ORDER OF THE BOARD
29 May 2023