



COMPUTER FORMS (MALAYSIA) BERHAD

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

AND

**PRESENTATION OF THE UNAUDITED FINANCIAL RESULT
FOR THE PERIOD ENDED 30 JUNE 2023
TO THE AUDIT COMMITTEE**

23 AUGUST 2023

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

INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2023

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2023

(The figures are unaudited)

	Note	Individual Quarter (Unaudited) (Unaudited) 3 months ended		Cumulative Quarter (Unaudited) (Unaudited) 15 months ended	
		30 Jun 23 (RM'000)	30 Jun 22 (RM'000)	30 Jun 23 (RM'000)	30 June 22 (RM'000)
Continuing Operations:					
Revenue	A9	6,095	6,385	34,089	N/A
Cost of Sales		(6,425)	(5,546)	(30,763)	N/A
Gross (Loss)/ Profit		<u>(330)</u>	<u>839</u>	<u>3,326</u>	<u>N/A</u>
Other Income		575	126	2,416	N/A
Administrative Expenses		(862)	(874)	(6,420)	N/A
Selling and Marketing Expenses		(351)	(331)	(1,734)	N/A
Other Expenses		(1,086)	(117)	(1,319)	N/A
Loss from operations		<u>(2,054)</u>	<u>(357)</u>	<u>(3,731)</u>	<u>N/A</u>
Finance Costs		(66)	(58)	(300)	N/A
Share of results in joint venture		(2)	-	(2)	N/A
Loss Before Tax	A9	<u>(2,122)</u>	<u>(415)</u>	<u>(4,033)</u>	<u>N/A</u>
Taxation	B6	(144)	(25)	(528)	N/A
Loss For The Period		<u>(2,266)</u>	<u>(440)</u>	<u>(4,561)</u>	<u>N/A</u>
Other Comprehensive Income		-	-	-	N/A
Total Comprehensive Loss For The Period		<u>(2,266)</u>	<u>(440)</u>	<u>(4,561)</u>	<u>N/A</u>
Loss Attributable to:					
Owners of the parent		(2,280)	(432)	(4,532)	N/A
Non- Controlling Interest		<u>14</u>	<u>(8)</u>	<u>(29)</u>	<u>N/A</u>
		<u>(2,266)</u>	<u>(440)</u>	<u>(4,561)</u>	<u>N/A</u>
Total Comprehensive Loss Attributable to:					
Owners of the parent		(2,280)	(432)	(4,532)	N/A
Non- Controlling Interest		<u>14</u>	<u>(8)</u>	<u>(29)</u>	<u>N/A</u>
		<u>(2,266)</u>	<u>(440)</u>	<u>(4,561)</u>	<u>N/A</u>
Loss Per Share					
- Basic/Diluted (sen)	B11	<u>(0.85)</u>	<u>(0.21)</u>	<u>(1.87)</u>	<u>N/A</u>

Notes:

THE FINANCIAL YEAR END OF THE GROUP HAS BEEN CHANGED FROM 31 MARCH 2023 TO 30 SEPTEMBER 2023. AS SUCH, THERE ARE NO COMPARATIVE FIGURES FOR THE PRECEDING YEAR CORRESPONDING CUMULATIVE PERIOD.

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 30 JUNE 2023

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

(The figures are unaudited)

	(Unaudited) As At 30 June 23 (RM'000)	(Audited) As At 31 March 22 (RM'000)
ASSETS		
<u>Non-Current Assets</u>		
Property, Plant and Equipment	1,447	1,811
Investment Properties	202	288
Investment in Joint Venture	*	-
Investment in Quoted Shares	4,444	-
Right-of-use Assets	623	1,062
	<u>6,716</u>	<u>3,161</u>
<u>Current Assets</u>		
Inventories	8,012	7,668
Trade and Other Receivables	32,346	10,231
Tax Recoverable	244	194
Fixed Deposits	93,341	45,293
Cash and Bank Balances	1,810	8,959
	<u>135,753</u>	<u>72,345</u>
Total Assets	<u>142,469</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	18,143	22,675
	<u>130,332</u>	<u>63,675</u>
Non-Controlling Interest	2,366	2,395
Total Equity	<u>132,698</u>	<u>66,070</u>
<u>Non-Current Liabilities</u>		
Deferred Taxation	98	98
Lease Liabilities	B8 144	255
Total Non-Current Liabilities	<u>242</u>	<u>353</u>
<u>Current Liabilities</u>		
Trade and Other Payables	2,591	2,955
Amount Owing by a Joint Venture	2	-
Lease Liabilities	B8 429	821
Short-Term Borrowings	B8 5,921	4,006
Current Tax Liability	586	1,301
Total Current Liabilities	<u>9,529</u>	<u>9,083</u>
Total Liabilities	<u>9,771</u>	<u>9,436</u>
Total Equity and Liabilities	<u>142,469</u>	<u>75,506</u>
Net Assets Per Share (RM)	<u>0.49</u>	<u>0.31</u>

* Represent less than RM1,000

(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 30 JUNE 2023

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 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>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	-	(4,532)	(4,532)	(29)	(4,561)
As at 30 June 2023	112,189	18,143	130,332	2,366	132,698

Notes:

THE FINANCIAL YEAR END OF THE GROUP HAS BEEN CHANGED FROM 31 MARCH 2023 TO 30 SEPTEMBER 2023. AS SUCH, THERE ARE NO COMPARATIVE FIGURES FOR THE THE PRECEDING YEAR CORRESPONDING PERIOD.

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 30 JUNE 2023

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2023
(The figures are unaudited)

	(Unaudited) 30 Jun 23 (RM'000)	(Unaudited) 30 Jun 22 (RM'000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(4,033)	N/A
Adjustments for:		
Depreciation of property, plant and equipment	765	N/A
Depreciation of right-of-use assets	1,947	N/A
Depreciation of investment properties	87	N/A
Interest income	(1,864)	N/A
Interest expense	300	N/A
Other non-cash/non-operational items	(40)	N/A
Loss on investment in quoted shares	1,616	N/A
Operating loss before working capital changes	<u>(1,222)</u>	<u>N/A</u>
Working capital changes:		
Inventories	(347)	N/A
Receivables	(22,115)	N/A
Payables	(361)	N/A
Cash outflows from operations	<u>(24,045)</u>	<u>N/A</u>
Tax paid	(2,596)	N/A
Tax refunded	1,343	N/A
Interest paid	(300)	N/A
Interest received	1,864	N/A
Net cash outflows from operating activities	<u>(23,734)</u>	<u>N/A</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(401)	N/A
Acquisition of right-of-use assets	(1,508)	N/A
Acquisition of quoted shares	(6,060)	N/A
Increase in fixed deposit pledged with banks	(343)	N/A
Net cash outflows from investing activities	<u>(8,312)</u>	<u>N/A</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	(503)	N/A
Proceeds from issuance of ordinary shares	71,706	N/A
Share issuance expenses	(517)	N/A
Repayment of short term borrowings	1,169	N/A
Net cash inflows from financing activities	<u>71,855</u>	<u>N/A</u>
NET INCREASE IN CASH & CASH EQUIVALENTS	<u>39,809</u>	<u>N/A</u>
CASH & CASH EQUIVALENTS AT BEGINNING OF THE YEAR	<u>49,871</u>	<u>N/A</u>
CASH & CASH EQUIVALENTS AT THE END OF THE PERIOD	<u><u>89,680</u></u>	<u><u>N/A</u></u>

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INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2023

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2023
(The figures are unaudited)

	(Unaudited) 30 Jun 23 (RM'000)	(Unaudited) 30 Jun 22 (RM'000)
Cash and cash equivalents at end of the financial period comprise of the following:		
Cash and bank balances	1,810	N/A
Fixed deposits	93,341	N/A
Bank overdrafts	(2,503)	N/A
	<u>92,648</u>	<u>N/A</u>
Less Fixed deposit pledged to banks	(2,968)	N/A
	<u>89,680</u>	<u>N/A</u>

Notes:

THE FINANCIAL YEAR END OF THE GROUP HAS BEEN CHANGED FROM 31 MARCH 2023 TO 30 SEPTEMBER 2023. AS SUCH, THERE ARE NO COMPARATIVE FIGURES FOR THE PRECEDING YEAR COREESPONDING PERIOD.

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.

COMPUTER FORMS (MALAYSIA) BERHAD

Registration No.: 196101000393 (4423-H)

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 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 30 JUNE 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 107 and MFRS 7	Supplier Finance Arrangements	1 January 2024
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.

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NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 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.

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.

(Unaudited) 3 Months Current Quarter 30 June 2023	Business Forms and Data Print Services RM'000	Commercial Printing RM'000	Flexible Packaging RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Revenue						
External revenue	3,025	210	2,858	-	2	6,095
Inter-segment revenue	39	4	41	-	(84)	-
Total revenue	<u>3,064</u>	<u>214</u>	<u>2,899</u>	<u>-</u>	<u>(82)</u>	<u>6,095</u>
Results						
Other income	275	16	112	172	-	575
Loss from operations	(488)	(1,098)	(1,010)	(33)	-	(2,629)
Finance costs	(19)	-	(47)	-	-	(66)
Share of results in joint venture						(2)
Loss before tax						<u>(2,122)</u>
Taxation						(144)
Loss for the period						<u>(2,266)</u>

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NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2023

A9. Operating Segmental Information (Cont'd)

(Unaudited) 3 Months <u>Current Quarter</u> 30 June 2022	Business Forms and Data Print Services RM'000	Commercial Printing RM'000	Flexible Packaging RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Revenue						
External revenue	3,162	152	3,071	-	-	6,385
Inter-segment revenue	61	7	28	-	(96)	-
Total revenue	<u>3,223</u>	<u>159</u>	<u>3,099</u>	<u>-</u>	<u>(96)</u>	<u>6,385</u>
Results						
Other income	6	49	12	59	-	126
Loss from operations	(284)	30	(220)	(9)	-	(483)
Finance costs	(12)	-	(46)	-	-	(58)
Loss before tax						(415)
Taxation						(25)
Loss for the period						<u>(440)</u>

(Unaudited) 15 Months <u>Cumulative Quarter</u> 30 June 2023	Business Forms and Data Print Services RM'000	Commercial Printing RM'000	Flexible Packaging RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Revenue						
External revenue	15,971	2,470	15,648	-	-	34,089
Inter-segment revenue	260	41	183	-	(484)	-
Total revenue	<u>16,231</u>	<u>2,511</u>	<u>15,831</u>	<u>-</u>	<u>(484)</u>	<u>34,089</u>
Results						
Other income	1,080	196	607	2,096	(1,563)	2,416
Loss from operations	(3,002)	(631)	(2,561)	(1,616)	1,663	(6,147)
Finance costs	(86)	-	(214)	-	-	(300)
Share of results in joint venture						(2)
Loss before tax						(4,033)
Taxation						(528)
Loss of the period						<u>(4,561)</u>

Notes:

The financial year end of the Group has been changed from 31 March 2023 to 30 September 2023. As such, there are no comparative figures for the cumulative preceding year corresponding cumulative period.

COMPUTER FORMS (MALAYSIA) BERHAD
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NOTES TO THE INTERIM FINANCIAL REPORT
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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 30.06.23 RM'000	(Unaudited) As at 30.06.22 RM'000
Authorised and contracted for		
- Property, plant and equipment	6,500	-

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 30.06.23 RM'000	(Unaudited) As at 30.06.22 RM'000
Secured		
Bank guarantees given to third parties	327	148

A15. Significant Related Party Transactions

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

COMPUTER FORMS (MALAYSIA) BERHAD

Registration No.: 196101000393 (4423-H)

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2023

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

B1. Review of Performance of Operating Segments

Current Quarter (3 months)

	Individual Quarter (Unaudited) 30 Jun 2023 RM'000	(Unaudited) 30 Jun 2022 RM'000	Changes (RM'000 / %)
Revenue	6,095	6,385	(290)/ (4.54%)
Operating loss	(2,629)	(483)	(2,146)/ (444.31%)
Loss before interest and tax	(2,054)	(357)	(1,697)/ (475.35%)
Loss before tax	(2,122)	(415)	(1,707)/ (411.33%)
Loss after tax	(2,266)	(440)	(1,826)/ (415%)
Loss attributable to owners of the Company	(2,280)	(432)	(1,848)/ (427.78%)

For the current quarter ended 30 June 2023, the Group recorded revenue of RM6.10 million as compared to RM6.39 million in the corresponding quarter, a decrease of RM0.29 million or 4.54%. The lower revenue was mainly due to a decrease in revenue contribution from flexible packaging business segment and business forms and data print services business segment.

The Group recorded loss before tax of RM2.12 million in the current quarter as compared to loss before tax of RM0.42 million in the corresponding quarter, a decrease of RM1.71 million or 411.33%.

Business Forms and Data Print Services

The revenue of this segment contributed RM3.03 million in the current quarter. It was 4.33% lower as compared with the corresponding quarter. This decrease was mainly due lower demand for security products and business forms.

This segment reported loss before tax of RM0.23 million in the current quarter, which was RM0.06 million lower in losses as compared with the corresponding quarter. The lower in losses was mainly due to decrease in professional fee recorded in current quarter.

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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 RM0.21 million in the current quarter. It was 38.16% higher in revenue as compared with the corresponding quarter. The higher revenue was due to higher service orders from cigarette papers.

The loss before tax for the current quarter was RM1.08 million. There was RM1.16 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 RM2.86 million in the current quarter. It was 6.94% lower in revenue 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 RM0.95 million. There was RM0.69 million higher in losses as compared with the corresponding quarter. The higher loss before tax 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 (15 months)

	Cumulative Quarter (Unaudited) 30 Jun 2023 RM'000	Cumulative Quarter (Unaudited) 30 Jun 2022 RM'000	Changes (RM'000 / %)
Revenue	34,089	N/A	N/A
Operating loss	(6,147)	N/A	N/A
Loss before interest and tax	(3,731)	N/A	N/A
Loss before tax	(4,033)	N/A	N/A
Loss after tax	(4,561)	N/A	N/A
Loss attributable to owners of the Company	(4,532)	N/A	N/A

As announced on 29 March 2023, the financial year end of the Company has been changed from 31 March 2023 to 30 September 2023. As such there is no comparative financial information is available for the preceding year corresponding cumulative quarter.

For the cumulative quarter ended 30 June 2023, the Group recorded revenue of RM34.09 million and loss before tax of RM4.03 million in current cumulative quarter.

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

Cumulative Quarter (15 months) (Cont'd)

Business Forms and Data Print Services

The revenue of this segment contributed RM15.97 million in the current cumulative quarter. This segment posted loss before tax of RM2 million for the current cumulative quarter.

Commercial Printing

The revenue of this segment contributed RM2.47 million in the current cumulative quarter. This segment registered loss before tax of RM0.44 million for current cumulative quarter.

Flexible Packaging

This segment registered revenue of RM15.65 million and loss before tax of RM2.17 million in the current cumulative quarter.

B2. Comparison with Immediate Preceding Quarter's results

	<----- Quarter ended ----->			
	(Unaudited)	(Unaudited)		
	30 Jun 2023 RM'000	31 Mar 2023 RM'000	Changes RM'000	Changes %
Revenue	6,095	6,989	(894)	(12.79)
Operating (loss)/profit	(2,629)	166	(2,795)	(1,683.73)
Loss before interest and tax	(2,054)	(742)	(1,312)	(176.82)
Loss before tax	(2,122)	(795)	(1,327)	(166.92)
Loss after tax	(2,266)	(686)	(1,580)	(230.32)
Loss attributable to owner of the Company	(2,280)	(684)	(1,596)	(233.33)

For the current quarter ended 30 June 2023, the Group recorded revenue of RM6.10 million and loss before tax of RM2.12 million as compared to revenue of RM6.99 million and loss before tax of RM0.80 million registered in the immediate preceding quarter ended 31 March 2023.

The revenue in the current quarter was 12.79% 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, commercial printing and flexible packaging business segment. The decrease in loss before tax reported in the current quarter by RM1.33 million was mainly due to increase of material costs and unrealized loss on investment in quoted shares which incurred in current quarter.

COMPUTER FORMS (MALAYSIA) BERHAD

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2023

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.

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.

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B3. Prospects (Cont'd)

(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.

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 3 months ended		Cumulative Quarter Ended 15 months ended	
	(Unaudited) 30 Jun 2023 RM'000	(Unaudited) 30 Jun 2022 RM'000	(Unaudited) 30 Jun 2023 RM'000	(Unaudited) 30 Jun 2022 RM'000
Income tax expense:				
Current financial period	(144)	(25)	(528)	-
Total tax expense	(144)	(25)	(528)	-

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

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.

The Joint Venture Company, Energy Absolute (M) Sdn Bhd has commenced its operations and is actively pursuing orders to fulfil its customers’ needs and meet their demands. It is dedicated to maintaining business as usual and ensuring a smooth continuation of day-to-day operations.

(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 14/08/2023 (RM’000)	Balance available for utilisation (RM’000)
(i) Rental payments	Within 24 months	2,659	(2,616)	43
(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 / future investment	Within 24 months	43,317	(16,500)	26,817
Total		91,100	(64,240)	26,860

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 14/08/2023 (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 30 Jun 2023 (Unaudited)		
	Long term RM'000	Short term RM'000	Total RM'000
Secured			
(i) Bank borrowings			
Banker acceptances	-	3,418	3,418
Bank overdrafts	-	2,503	2,503
	-	5,921	5,921
(ii) Lease liabilities	144	429	573
Grand total	144	6,350	6,494

	As at 30 Jun 2022 (Unaudited)		
	Long term RM'000	Short term RM'000	Total RM'000
Secured			
(i) Bank borrowings			
Banker acceptances	-	2,040	2,040
Bank overdrafts	-	2,447	2,447
	-	4,487	4,487
(ii) Lease liabilities	202	486	688
Grand total	202	4,973	5,175

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B8. Borrowings and Lease Liabilities (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 14 August 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 Per Share

a) **Basic Loss Per Share**

	Individual Quarter		Cumulative Quarter	
	3 months ended		15 months ended	
	(Unaudited) 30 Jun 23	(Unaudited) 30 Jun 22	(Unaudited) 30 Jun 23	(Unaudited) 30 Jun 22
Loss attributable to owners of the Company (RM'000)	(2,280)	(432)	(4,532)	N/A
Weighted average number of shares in issue ('000)	267,581	205,000	242,043	N/A
Basic ⁽¹⁾ /Diluted ⁽²⁾ Loss per share (sen)	(0.85)	(0.21)	(1.87)	N/A

Notes:

- (1) Basic loss per share for the quarter and cumulative quarter is calculated based on the net 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 loss per share of the Company for the current quarter and cumulative quarter is equivalent to the basic loss per share as the effects on the assumed exercise of the share options under warrants are anti-dilutive.

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B12. Financial Instruments

- (a) Derivatives
There were no outstanding derivatives as at 30 June 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 30 Jun 23 RM'000	(Unaudited) Cumulative Quarter 30 Jun 23 RM'000
Loss before taxation is arrived after charging/ (crediting):-		
a) Interest income	(447)	(1,864)
b) Other income (exclude interest income)	(127)	(552)
c) Interest expense	66	300
d) Depreciation of property, plant and equipment	146	765
e) Depreciation of right-of-use assets	390	1,947
f) Depreciation of investment properties	18	87
g) Impairment loss on receivables	-	-
h) Inventories write off	-	-
i) Loss/(Gain) on disposal of quoted investments		
- realised	(199)	(199)
- unrealised	1,110	1,616
j) Foreign exchange loss		
- realised	-	-
- unrealised	-	1
k) Gain or loss on derivatives	-	-
l) Other material items not disclosed above	-	-

BY ORDER OF THE BOARD
23 August 2023