



COMPUTER FORMS (MALAYSIA) BERHAD

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

AND

**PRESENTATION OF THE UNAUDITED FINANCIAL RESULT
FOR THE THIRD (3RD) QUARTER ENDED 30 JUNE 2024
TO THE AUDIT COMMITTEE**

22 AUGUST 2024

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

INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 30 JUNE 2024

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 JUNE 2024

(The figures are unaudited)

| | Note | Individual Quarter (Unaudited) (Unaudited) 3 months ended | | Cumulative Quarter (Unaudited) (Unaudited) 9 months ended | |
|---|------|---|-----------------------|---|-----------------------|
| | | 30 Jun 24 (RM'000) | 30 Jun 23 (RM'000) | 30 Jun 24 (RM'000) | 30 Jun 23 (RM'000) |
| Continuing Operations: | | | | | |
| Revenue | A8 | 5,989 | 6,095 | 20,356 | N/A |
| Cost of Sales | | (6,049) | (6,425) | (20,054) | N/A |
| Gross (Loss)/Profit | | (60) | (330) | 302 | N/A |
| Other Income | | 819 | 575 | 2,543 | N/A |
| Administrative Expenses | | (823) | (862) | (2,730) | N/A |
| Selling and Marketing Expenses | | (351) | (351) | (1,174) | N/A |
| Other Expenses | | 116 | (1,086) | (125) | N/A |
| Loss from operations | | (299) | (2,054) | (1,184) | N/A |
| Finance Costs | | (79) | (66) | (240) | N/A |
| Share of results in joint venture | | - | (2) | - | N/A |
| Loss Before Tax | A8 | (378) | (2,122) | (1,424) | N/A |
| Taxation | B6 | (60) | (144) | (164) | N/A |
| Loss For The Period | | (438) | (2,266) | (1,588) | N/A |
| Other Comprehensive Income | | - | - | - | N/A |
| Total Comprehensive Loss For The Period | | (438) | (2,266) | (1,588) | N/A |
| (Loss)/Profit Attributable to: | | | | | |
| Owners of the parent | | (353) | (2,280) | (1,414) | N/A |
| Non- Controlling Interest | | (85) | 14 | (174) | N/A |
| | | (438) | (2,266) | (1,588) | N/A |
| Total Comprehensive (Loss)/Income Attributable to: | | | | | |
| Owners of the parent | | (353) | (2,280) | (1,414) | N/A |
| Non- Controlling Interest | | (85) | 14 | (174) | N/A |
| | | (438) | (2,266) | (1,588) | N/A |
| Loss Per Share | | | | | |
| - Basic/Diluted (sen) | B11 | (0.13) | (0.85) | (0.53) | N/A |

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 30 SEPTEMBER 2023.

INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 30 JUNE 2024

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

(The figures are unaudited)

| | (Unaudited) As At 30 June 24 (RM'000) | (Audited) As At 30 September 23 (RM'000) |
|---|--|---|
| ASSETS | | |
| <u>Non-Current Assets</u> | | |
| Property, Plant and Equipment | 1,451 | 1,715 |
| Investment Properties | 797 | 803 |
| Investment in Quoted Shares | - | 1,508 |
| Right-of-use Assets | 852 | 301 |
| | 3,100 | 4,327 |
| <u>Current Assets</u> | | |
| Inventories | 6,005 | 8,044 |
| Trade and Other Receivables | 40,486 | 27,340 |
| Tax Recoverable | 524 | 429 |
| Fixed Deposits | 82,407 | 95,554 |
| Cash and Bank Balances | 1,445 | 1,692 |
| | 130,867 | 133,059 |
| Total Assets | 133,967 | 137,386 |
| EQUITY AND LIABILITIES | | |
| <u>Equity Attributable to Owners of The Parent</u> | | |
| Share Capital | 112,189 | 112,189 |
| Retained Earnings | 9,241 | 10,655 |
| | 121,430 | 122,844 |
| Non-Controlling Interest | 2,105 | 2,279 |
| Total Equity | 123,535 | 125,123 |
| <u>Non-Current Liabilities</u> | | |
| Deferred Taxation | 111 | 111 |
| Lease Liabilities | B8 689 | 132 |
| Total Non-Current Liabilities | 800 | 243 |
| <u>Current Liabilities</u> | | |
| Trade and Other Payables | 4,684 | 4,628 |
| Provision | 365 | 1,052 |
| Lease Liabilities | B8 191 | 184 |
| Short-Term Borrowings | B8 4,344 | 6,156 |
| Current Tax Liability | 48 | * |
| Total Current Liabilities | 9,632 | 12,020 |
| Total Liabilities | 10,432 | 12,263 |
| Total Equity and Liabilities | 133,967 | 137,386 |
| | | |
| Net Assets Per Share (RM) | 0.45 | 0.46 |

* 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 30 SEPTEMBER 2023)

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

INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 30 JUNE 2024

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 JUNE 2024

(The figures are unaudited)

| | <----- Attributable to Owner of the Parent -----> | | | Non- Controlling Interest (RM'000) | Total Equity (RM'000) |
|--|---|---|-------------------|---|--------------------------|
| | Share Capital (RM'000) | Distributable Retained Earnings (RM'000) | Total (RM'000) | | |
| <u>Unaudited</u> | | | | | |
| As at 1 October 2023 | 112,189 | 10,655 | 122,844 | 2,279 | 125,123 |
| Total Comprehensive Loss For The Period | - | (1,414) | (1,414) | (174) | (1,588) |
| As at 30 June 2024 | 112,189 | 9,241 | 121,430 | 2,105 | 123,535 |
| <u>Audited</u> | | | | | |
| <u>18 months ended 30 September 2023</u> | | | | | |
| As at 1 April 2022 | 41,000 | 22,675 | 63,675 | 2,395 | 66,070 |
| Shares Issuance pursuant | | | | | |
| - Conversion of warrants | 1,254 | - | 1,254 | - | 1,254 |
| - Private Placement | 69,935 | - | 69,935 | - | 69,935 |
| Total Comprehensive Loss For The Period | - | (12,020) | (12,020) | (116) | (12,136) |
| As at 30 September 2023 | 112,189 | 10,655 | 122,844 | 2,279 | 125,123 |

Notes:

THE CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME SHOULD BE READ IN CONJUNCTION WITH THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023.

INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 30 JUNE 2024

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 30 JUNE 2024
(The figures are unaudited)

| | (Unaudited) 9 months ended 30 Jun 24 (RM'000) | (Audited) 18 months ended 30 Sept 23 (RM'000) |
|---|--|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Loss before tax | (1,424) | (12,244) |
| Adjustments for: | | |
| Depreciation of: | | |
| property, plant and equipment | 327 | 917 |
| right-of-use assets | 294 | 2,268 |
| investment properties | 6 | 94 |
| Interest income | (2,352) | (2,624) |
| Interest expense | 240 | 379 |
| Expected credit loss | - | 5,676 |
| Inventories written off | - | 110 |
| Bad debts written off | - | 29 |
| Provision for deposit forfeited | - | 687 |
| Provision for dismantling costs | - | 365 |
| Reversal of expected credit loss | - | (72) |
| Reversal of depreciation of investment properties | - | (213) |
| Foreign exchange loss - unrealised | 3 | (1) |
| Loss on disposal in quoted shares | 889 | 1,023 |
| (Gain)/Loss on investment in quoted shares - unrealised | (862) | 862 |
| Operating loss before working capital changes | <u>(2,879)</u> | <u>(2,744)</u> |
| Working capital changes: | | |
| Inventories | 2,039 | (487) |
| Receivables | (13,189) | (17,891) |
| Payables | (633) | 1,672 |
| Cash outflows from operations | <u>(14,662)</u> | <u>(19,450)</u> |
| Tax paid | (168) | (2,759) |
| Tax refunded | 1 | 1,343 |
| Interest paid | (240) | (314) |
| Interest received | 2,352 | 2,550 |
| Net cash outflows from operating activities | <u>(12,717)</u> | <u>(18,630)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Acquisition of property, plant and equipment | (63) | (821) |
| Acquisition of investment properties | - | (395) |
| Acquisition of right-of-use assets | (845) | - |
| Acquisition of other investments | - | (6,055) |
| Proceeds from disposal of other investments | 1,481 | 2,662 |
| Uplift/(Placement) of fixed deposits | 13,146 | (97,706) |
| Net cash inflows/(outflows) from investing activities | <u>13,719</u> | <u>(102,315)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Additional/(Repayment) of lease liabilities | 563 | (2,331) |
| Proceeds from issuance of ordinary shares | - | 71,706 |
| Share issuance expenses | - | (517) |
| Repayment of borrowings | (1,873) | 1,478 |
| Net cash (outflows)/inflows from financing activities | <u>(1,310)</u> | <u>70,336</u> |
| NET DECREASE IN CASH & CASH EQUIVALENTS | (308) | (50,609) |
| CASH & CASH EQUIVALENTS AT BEGINNING OF THE PERIOD | (737) | 49,872 |
| CASH & CASH EQUIVALENTS AT THE END OF THE PERIOD | <u>(1,045)</u> | <u>(737)</u> |

COMPUTER FORMS (MALAYSIA) BERHAD
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INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED 30 JUNE 2024

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 30 JUNE 2024
(The figures are unaudited)

| | (Unaudited) 9 months ended 30 Jun 24 (RM'000) | (Audited) 18 months ended 30 Sept 23 (RM'000) |
|--|--|--|
| Cash and cash equivalents at end of the financial period comprise of the following: | | |
| Cash and bank balances | 1,445 | 1,692 |
| Bank overdrafts | (2,490) | (2,429) |
| | <u>(1,045)</u> | <u>(737)</u> |

Notes:

THE CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME SHOULD BE READ IN CONJUNCTION WITH THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023.

COMPUTER FORMS (MALAYSIA) BERHAD
Registration No.: 196101000393 (4423-H)
NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE THIRD (3RD) QUARTER ENDED 30 JUNE 2024

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 30 September 2023 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 30 September 2023. 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 107 and MFRS 7 | Supplier Finance Arrangements |
| Amendments to MFRS 101 | Non-current Liabilities with Covenants |
| Amendments to MFRS 16 | Lease Liability in a Sale and Leaseback |

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 |
|---|--|
| Amendments to MFRS 121 Lack of Exchangeability | 1 January 2025 |
| Amendments to MFRS 9 and MFRS 7 Amendments to the Classification and Measurement of Financial Instruments | 1 January 2026 |
| MFRS 18 Presentation and Disclosure in Financial Statements | 1 January 2027 |
| MFRS 19 Subsidiaries without Public Accountability: Disclosures | 1 January 2027 |
| 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.

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 30 September 2023 were not subject to any qualification.

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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.

A7. Dividends Paid

There was no dividend 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.

| (Unaudited) Current Quarter 30 June 2024 | 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 | 2,723 | 184 | 3,082 | - | - | 5,989 |
| Inter-segment revenue | 17 | - | - | - | (17) | - |
| Total revenue | <u>2,740</u> | <u>184</u> | <u>3,082</u> | <u>-</u> | <u>(17)</u> | <u>5,989</u> |
| Results | | | | | | |
| Other income | 514 | 39 | 109 | 190 | (33) | 819 |
| (Loss)/Profit from operations | (396) | 150 | (884) | (21) | 33 | (1,118) |
| Finance costs | (25) | - | (54) | - | - | (79) |
| Loss before tax | | | | | | <u>(378)</u> |
| Taxation | | | | | | <u>(60)</u> |
| Loss for the period | | | | | | <u>(438)</u> |

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NOTES TO THE INTERIM FINANCIAL REPORT
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A8. Operating Segmental Information (Cont'd)

| (Unaudited) 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 | | | | | | (2) |
| Loss before tax | | | | | | <u>(2,122)</u> |
| Taxation | | | | | | (144) |
| Loss for the period | | | | | | <u>(2,266)</u> |

| (Unaudited) 9 Months Cumulative Quarter 30 June 2024 | 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 | 8,542 | 688 | 11,126 | - | - | 20,356 |
| Inter-segment revenue | 112 | - | 13 | - | (125) | - |
| Total revenue | <u>8,654</u> | <u>688</u> | <u>11,139</u> | <u>-</u> | <u>(125)</u> | <u>20,356</u> |
| Results | | | | | | |
| Other income | 1,582 | 106 | 331 | 623 | (99) | 2,543 |
| (Loss)/Profit from operations | (1,721) | 51 | (2,002) | (154) | 99 | (3,727) |
| Finance costs | (78) | - | (162) | - | - | (240) |
| Loss before tax | | | | | | <u>(1,424)</u> |
| Taxation | | | | | | (164) |
| Loss for the period | | | | | | <u>(1,588)</u> |

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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.

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.

A11. 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.

A12. Capital Commitments

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

| | (Unaudited) As at 30.06.24 RM'000 | (Unaudited) As at 30.06.23 RM'000 |
|--|--|--|
| Authorised and contracted for | | |
| - Property, plant and equipment | - | 6,500 |
| - | | |
| Authorised but not contracted for | | |
| - Property, plant and equipment | 5,342 | - |

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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, except for:-

| | (Unaudited) As at 30.06.24 RM'000 | (Unaudited) As at 30.06.23 RM'000 |
|--|--|--|
| Secured | | |
| Bank guarantees given to third parties | 247 | 327 |

A14. Significant Related Party Transactions

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

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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 2024 RM'000 | Individual Quarter (Unaudited) 30 Jun 2023 RM'000 | Changes (RM'000 / %) |
|--|--|--|-------------------------------------|
| Revenue | 5,989 | 6,095 | (106)/ (1.74%) |
| Operating loss | (1,118) | (2,629) | 1,511/ 57.47% |
| Loss before interest and tax | (299) | (2,054) | 1,755/ 85.44% |
| Loss before tax | (378) | (2,122) | 1,744/ 82.19% |
| Loss after tax | (438) | (2,266) | 1,828/ 80.67% |
| Loss attributable to owners of the Company | (353) | (2,280) | 1,927/ 84.52% |

For the current quarter ended 30 June 2024, the Group recorded revenue of RM5.99 million, a slight decrease of RM0.11 million or 1.74% compared to RM6.10 million in the same quarter last year. The decreased in revenue was primarily due to lower contributions from the business forms and data print segment, as well as the commercial printing segment.

The Group recorded a pre-tax loss of RM0.38 million in the current quarter, an improvement from the RM2.12 million pre-tax loss recorded in the same quarter last year. This reduction in losses by RM1.74 million, or 82.19%, was primarily due to the absence of non-recurring unrealised loss on investments in quoted share that affected the corresponding quarter's results.

Business Forms and Data Print Services

This segment generated revenue of RM2.72 million in the current quarter, reflecting a 9.98% decline compared to the same quarter last year. This decrease was primarily driven by reduced demand for forms printing products, data print services and business forms.

This segment reported a pre-tax profit of RM0.09 million in the current quarter, making a RM0.33 million improvement compared to the pre-tax loss recorded in the corresponding quarter. This improvement was primarily due to reduced staff costs and lower maintenance expenses incurred during the current quarter.

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

Current Quarter (3 months) (Cont'd)

Commercial Printing

This segment generated RM0.18 million in revenue for the current quarter, reflecting a 12.38% decline compared to the corresponding quarter. The drop in revenue was mainly due to a reduction in service orders for cigarette papers and other service during the current quarter.

The pre-tax profit for the current quarter was RM0.19 million, representing an increase of RM1.27 million compared to the corresponding quarter. The higher profit was largely due to the absence of non-recurring unrealised loss on investment in quoted shares that affected the corresponding quarter's results.

Flexible Packaging

This segment recorded revenue of RM3.08 million in the current quarter, a 7.84% increase compared to the corresponding quarter. The rise in revenue was primarily driven by an increase in service orders for other services.

A loss before tax for the current quarter amounted to RM0.83 million. There represents a decrease of RM0.12 million in loss before tax compared to the corresponding quarter. This improvement was primarily driven by an increase in service orders for other services.

Cumulative Quarter (9 months)

| | Individual Quarter (Unaudited) 30 Jun 2024 RM'000 | (Unaudited) 30 Jun 2023 RM'000 | Changes (RM'000 / %) |
|--|--|---|-------------------------------------|
| Revenue | 20,356 | N/A | N/A |
| Operating loss | (3,727) | N/A | N/A |
| Loss before interest and tax | (1,184) | N/A | N/A |
| Loss before tax | (1,424) | N/A | N/A |
| Loss after tax | (1,588) | N/A | N/A |
| Loss attributable to owners of the Company | (1,414) | 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 2024, the Group recorded revenue of RM20.36 million and loss before tax of RM1.42 million in current cumulative quarter.

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

Cumulative Quarter (9 months) (Cont'd)

Business Forms and Data Print Services

The revenue of this segment contributed RM8.54 million in the current cumulative quarter. This segment posted loss before tax of RM0.22 million for the current cumulative quarter.

Commercial Printing

The revenue of this segment contributed RM0.69 million in the current cumulative quarter. This segment registered profit before tax of RM0.16 million for current cumulative quarter.

Flexible Packaging

This segment registered revenue of RM11.13 million and loss before tax of RM1.83 million in the current cumulative quarter.

B2. Comparison with Immediate Preceding Quarter's results

| | <----- Quarter ended -----> | | | |
|--|-----------------------------|--------------------------|-------------------|--------------|
| | (Unaudited) | (Unaudited) | | |
| | 30 Jun 2024 RM'000 | 31 Mar 2024 RM'000 | Changes RM'000 | Changes % |
| Revenue | 5,989 | 7,038 | (1,049) | (14.90) |
| Operating loss | (1,118) | (1,510) | 392 | 25.96 |
| Loss before interest and tax | (299) | (1,077) | 778 | 72.24 |
| Loss before tax | (378) | (1,153) | 775 | 67.22 |
| Loss after tax | (438) | (1,205) | 767 | 63.65 |
| Loss attributable to owner of the Company | (353) | (1,171) | 818 | 69.85 |

For the current quarter ended 30 June 2024, the Group recorded revenue of RM5.99 million and loss before tax of RM0.38 million as compared to revenue of RM7.04 million and loss before tax of RM1.15 million registered in the immediate preceding quarter ended 31 March 2024.

Revenue for the current quarter was 14.9% lower than that of the immediate preceding quarter. This decline was primarily driven by reduced revenue from our business forms and data print, commercial printing and flexible packaging segments. The lower in loss before tax of RM0.78 million reported this quarter was mainly due to the absence of a non-recurring unrealised loss on investment in quoted shares, which had impacted the immediate preceding quarter.

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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

The new subsidiary, CFM Energy Sdn. Bhd. will allow the Group to diversify into the electric vehicle (“EV”) industry which is expected to provide sustainable income stream in addition to the Group’s current income stream.

The EV 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 for components used in locally-assembled EV until December 2027; full excise tax and sales tax exemptions for completely-knocked down EV as well as the extended duty exemptions for completely built-up to December 2025; Malaysia-based manufacturers of EV charging infrastructure are exempted from income tax at 100% up to 2032 as well as manufacturers of EV charging equipment are also entitled to 100% investment tax allowance for a period of 5 years. 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 up to 2027 will catalyze the growth of the industry.

The Group believe these measures will contribute to overall positive prospects in the coming years as the cost to purchase EV is reduced and offers better competition against internal combustion engine cars.

(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 to enhance the efficient operation of the 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.

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B3. Prospects (Cont'd)

(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.

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) 30 June 2024 RM'000 | (Unaudited) 30 June 2023 RM'000 | (Unaudited) 30 June 2024 RM'000 | (Unaudited) 30 June 2023 RM'000 |
| Income tax:- | | | | |
| Current financial period | (46) | (144) | (150) | NA |
| Under provision in prior period | (14) | - | (14) | NA |
| Total tax expense | <u>(60)</u> | <u>(144)</u> | <u>(164)</u> | NA |

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B6. Taxation (Cont'd)

The effective tax rate of the Group for the current and cumulative 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 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 16/08/2024 (RM'000) | Balance available for utilisation (RM'000) |
|---|--|---------------------------------|--|--|
| (i) Rental payments | Within 24 months | 2,659 | (2,659) | - |
| (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 36 months (Note #) | 43,317 | (29,317) | 14,000 |
| Total | | 91,100 | (77,100) | 14,000 |

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

Note #:

This extended timeframe was announced on 14 September 2023.

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B7. Status of Corporate Proposals (Cont'd)

(I) 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 16/08/2024 (RM'000) | Balance available for utilisation (RM'000) |
|---|---|---------------------------------|--|--|
| (i) Capital expenditure of the Group | Within 18 months (Note #) | 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.

Note #:

The Board approved an extension of timeframe for the utilization of proceeds for another 12 months to 06 March 2025 for the capital expenditure of the Group.

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 June 2024 (Unaudited) | | |
|-------------------------------|--------------------------------|----------------------|-----------------|
| | Long term RM'000 | Short term RM'000 | Total RM'000 |
| Secured | | | |
| (i) Bank borrowings | | | |
| Banker acceptances | - | 1,854 | 1,854 |
| Bank overdrafts | - | 2,490 | 2,490 |
| | - | 4,344 | 4,344 |
| (ii) Lease liabilities | 689 | 191 | 880 |
| Grand total | 689 | 4,535 | 5,224 |

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

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B9. Changes in Material Litigation

As at 16 August 2024 (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 | |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
| | (Unaudited) 30 Jun 24 | (Unaudited) 30 Jun 23 | (Unaudited) 30 Jun 24 | (Unaudited) 30 Jun 23 |
| Loss attributable to owners of the Company (RM'000) | (353) | (2,280) | (1,414) | N/A |
| Weighted average number of shares in issue ('000) | 267,581 | 267,581 | 267,581 | N/A |
| Basic ⁽¹⁾ /Diluted ⁽²⁾ Loss per share (sen) | (0.13) | (0.85) | (0.53) | 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 current 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.

B12. Financial Instruments

(a) Derivatives

There were no outstanding derivatives as at 30 June 2024.

(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

| | (Unaudited) Current Quarter ended 30 Jun 24 RM'000 | (Unaudited) Cumulative Quarter 30 Jun 24 RM'000 |
|--|--|---|
| Loss before taxation is arrived after charging/ (crediting):- | | |
| a) Interest income | (756) | (2,352) |
| b) Other income (exclude interest income) | (63) | (192) |
| c) Interest expense | 79 | 240 |
| d) Depreciation of property, plant and equipment | 109 | 327 |
| e) Depreciation of right-of-use assets | 86 | 294 |
| f) Depreciation of investment properties | 2 | 6 |
| g) Impairment loss | - | - |
| h) Inventories written off | - | - |
| i) Loss on disposal in quoted shares | 756 | 889 |
| j) Gain on investment in quoted share - unrealised | (903) | (862) |
| k) Foreign exchange (gain)/loss | | |
| - realised | - | (2) |
| - unrealised | - | 3 |
| l) Gain or loss on derivatives | - | - |
| m) Other material item not disclosed above | - | - |

BY ORDER OF THE BOARD
22 August 2024