

Computer Forms (Malaysia) Berhad  
(4423-H)

# ANNUAL REPORT

2013

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# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Fifty-First Annual General Meeting ("51<sup>st</sup> AGM") of the shareholders of the Company will be held at Bukit Kiara Equestrian and Country Resort, Dewan Berjaya, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur, Malaysia on Thursday, 19 September 2013 at 11.00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions: -

## AGENDA

1. To lay before the meeting the Audited Financial Statements of the Group and the Company for the financial year ended 31 March 2013 together with the Reports of the Directors and Auditors thereon. **Please refer Explanatory Note A**
2. To approve the payment of Directors' fees in respect of the financial year ended 31 March 2013. **Ordinary Resolution 1**
3. (i) To re-elect Encik Muhayuddin Bin Musa, a Director retiring in accordance with Article 83 of the Company's Articles of Association. **Ordinary Resolution 2(a)**  
  
(ii) To re-elect the following Directors retiring in accordance with Article 90 of the Company's Articles of Association:-
  - (a) Mr Lee Yu-Jin **Ordinary Resolution 2(b)**
  - (b) Mr Wong Hok Yim **Ordinary Resolution 2(c)**
4. To re-appoint Paul Chuah & Co. PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 3**
5. To transact any other business of which due notice shall have been given in accordance with the Companies Act, 1965.

By Order of the Board

Loh Poh Wah (MAICSA No. 7047338)  
Ho Sok Leng (MAICSA No. 7043167)  
Secretaries

Kuala Lumpur  
28 August 2013

## NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

### Notes:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies (but not more than two) to attend and vote instead of him. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. Where a member appoints two (2) proxies to attend the same meeting, the member shall specify the proportion of his shareholding to be represented by each proxy, failing which the appointment shall be invalid.
2. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it shall be entitled to appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

Where an authorised nominee or an exempt authorised nominee appoints more than one proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
4. The instrument appointing a proxy shall be deposited with the Share Registrar of the Company, Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Block D13, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor, Malaysia not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
5. Depositors whose names appear in the Record of Depositors on a date not less than three (3) market days before the Annual General Meeting shall be entitled to attend and vote at the Annual General Meeting or appoint a proxy to attend, speak and vote on his behalf.

### Explanatory Note A

This Agenda item is meant for discussion only. Under the provisions of Section 169(1) of the Companies Act, 1965, the audited financial statements do not require formal approval of shareholders and hence, the matter will not be put forward for voting.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Dato' Ibrahim Mahaludin Bin Puteh  
(Chairman, Independent Non-Executive Director)

En Muhayuddin Bin Musa  
(Managing Director)

Mr Lee Yu-Jin  
(Executive Director)  
[appointed w.e.f. 1 March 2013]

Mr Thor Poh Seng  
(Independent Non-Executive Director)

Mr Ou Wee Sun  
(Independent Non-Executive Director)

Mr Wong Hok Yim  
(Independent Non-Executive Director)  
[appointed w.e.f. 1 June 2013]

### AUDIT COMMITTEE

Dato' Ibrahim Mahaludin Bin Puteh (Chairman)  
Mr Thor Poh Seng  
Mr Ou Wee Sun (MIA Member)

### NOMINATION COMMITTEE

Mr Thor Poh Seng (Chairman)  
Mr Ou Wee Sun

### REMUNERATION COMMITTEE

Mr Thor Poh Seng (Chairman)  
Mr Ou Wee Sun

### SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr Thor Poh Seng  
Fax: (603) 4022 1571

### COMPANY SECRETARIES

Ms Loh Poh Wah (MAICSA No. 7047338)  
Ms Ho Sok Leng (MAICSA No. 7043167)

### REGISTERED OFFICE

Lot 2, Jalan Usahawan 5  
PKNS Setapak Industrial Area  
Off Jalan Genting Kelang  
53300 Kuala Lumpur  
Tel: (603) 4023 3611 Fax: (603) 4021 3033

### PRINCIPAL BANKERS

CIMB Bank Berhad  
HSBC Bank Malaysia Berhad  
Malayan Banking Berhad

### SHARE REGISTRAR

Symphony Share Registrars Sdn. Bhd.  
(Co. No. 378993-D)  
Level 6, Symphony House  
Block D13, Pusat Dagangan Dana 1  
Jalan PJU 1A/46  
47301 Petaling Jaya, Selangor  
Tel: (603) 7841 8000 Fax: (603) 7841 8008

### AUDITORS

Paul Chuah & Co. PLT  
(Chartered Accountants)  
17, Jalan Ipoh Kecil  
50350 Kuala Lumpur

### STOCK EXCHANGE LISTING

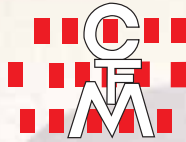
Main Market of Bursa Malaysia Securities Berhad  
Stock Name: CFM  
Stock Code: 8044

### WEBSITE

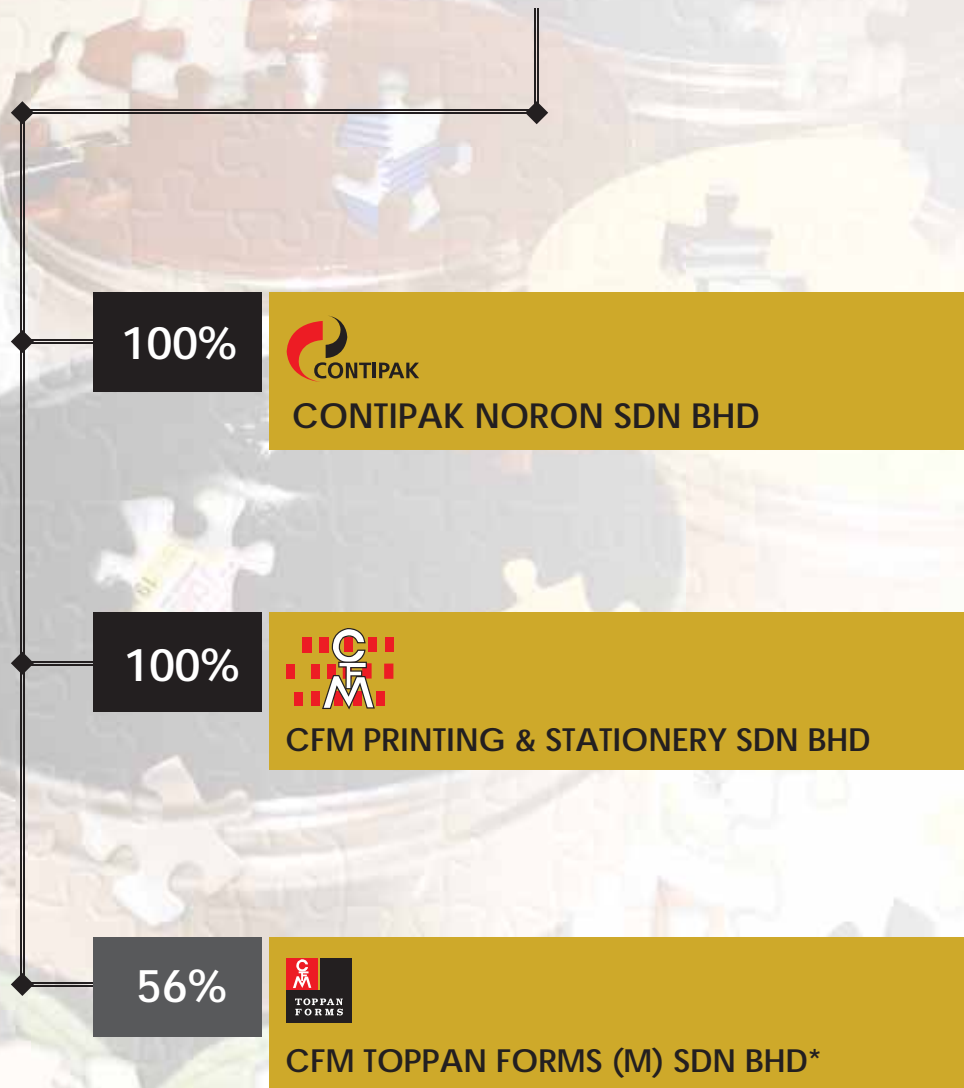
[www.cfm.com.my](http://www.cfm.com.my)



# CORPORATE STRUCTURE



**Computer Forms (Malaysia) Berhad** (4423-H)



\* Not Audited by Paul Chuah & Co. PLT  
Note : Dormant companies are excluded.

# CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Financial Statements of the Company and its subsidiaries ("the Group") for the financial year ended 31 March 2013.

## General Overview

In 2012 the growth of the global economy slowed down to 3.2% from 3.9% the previous year. The recovery of the US economy remained weak and the Eurozone remained in a recession. Despite the weaker global economy, Malaysia reported higher GDP growth of 5.6% as compared to 5.1% in 2011. The strength of the Malaysian economy was primarily due to higher domestic consumption.

However as reported in previous years the printing business has remained highly challenging. All traditional printers in Malaysia are facing falling print volumes as well as the increasing prices of raw material and cost of labour. Falling print volumes have been caused by the rise of technology with increasing number of consumers opting to read on a screen over paper. The printing industry is faced with overcapacity resulting in higher competition and lower margins. In order to remain profitable the Group will continue to concentrate on flexible packaging, digital print and security document businesses.

## Financial Performance

During the financial year under review, the Group registered a net profit of RM1.4 million on a revenue of RM51.4 million as compared to net profit of RM2.7 million on revenue of RM54.7 million the previous financial year. The 6% reduction of revenue was due to lower revenues reported across all the business segments. The lower revenue coupled with lower margins led to lower net profit.

For the business forms and data print services segment, revenue was lower by 5% and net profit was lower by 8.6%. Sales of business forms continue to be affected by the lower demand from customers caused by technology changes. Data print revenue was also affected by the more consumers opting to receive statements electronically rather than through hard copy print.

The commercial print segment reported a 7.8% decrease in revenue and net profit was lower by 34%. Lower revenue was due to competitive business environment which resulted in lower volume of exercise books sold.

The flexible packaging segment reported a 6% decrease in revenue and a 50% decrease in net profit. The lower revenue was due to lower export sales. Net profit was adversely affected by both the lower revenue and higher costs of raw materials.

## **CHAIRMAN'S STATEMENT (CONT'D)**

### **Future Prospects**

The Malaysian economy is forecasted to grow between 5%- 6% in 2013. However we do not expect our business to register significant revenue growth in the next financial year as the printing business environment remains competitive.

The management will continue to improve efficiency and reduce wastage in order to maintain the profitability of the Group in the next financial year.

### **Acknowledgements**

I would like to extend my sincere appreciation to my fellow Board members, the management and staff of the Group for their hard work and dedication to the Group.

On behalf of the Board, I would like to thank to our shareholders, valued customers, suppliers, bankers and business partners for their continued support.

**DATO' IBRAHIM MAHALUDIN BIN PUTEH**  
**CHAIRMAN**



# PROFILE OF DIRECTORS

## **Dato' Ibrahim Mahaludin Bin Puteh**

*Chairman, Independent Non-Executive Director*

Dato' Ibrahim Mahaludin Bin Puteh, aged 62, Malaysian, was appointed to the Board of Computer Forms (Malaysia) Berhad on 1 December 2008 as Chairman of the Board and Chairman of the Audit Committee.

He holds a BA (Hons) degree from the University of Malaya and a Master's degree in Business Administration from the Manchester Business School, University of Manchester, United Kingdom.

Dato' Ibrahim was the Deputy Secretary General of the Treasury (Policy) of the Ministry of Finance from April 2007 to October 2008. Prior to that, he had served in various divisions at the Ministry of Finance since 1974. He had also served as the Senior Adviser to the Executive Director for South East Asia at the World Bank Group in Washington DC, USA from 2003 to 2004. He is currently the Chairman of Indah Water Konsortium Sdn Bhd and sits on the Board of Pos Malaysia Berhad.

## **Muhayuddin Bin Musa**

*Managing Director (Chief Executive Officer)*

Muhayuddin Bin Musa, aged 51, Malaysian, was appointed to the Board of Computer Forms (Malaysia) Berhad on 26 June 1998.

He holds a Bachelor of Commerce (Honours) degree from Carleton University, Ottawa, Canada.

He began his career as a Financial Officer at Lembaga Letrik Negara (LLN). Thereafter he joined the banking industry marking his tenure into the private sector. He has held various positions in both local and foreign banks. Subsequently he joined Federal Furniture Holdings (M) Bhd as Corporate Affairs Manager and also as Managing Director of one of the Group's subsidiaries.

Currently, he also sits on the Board of Malpac Holdings Berhad and the subsidiary companies of CFM.

## **Lee Yu-Jin**

*Executive Director (Chief Financial Officer)*

Lee Yu-Jin, aged 46, Malaysian, was appointed to the Board of Computer Forms (Malaysia) Berhad on 1 March 2013.

Mr Lee holds a Bachelor of Arts (Honours) in Economics from University of Manchester, United Kingdom. He is also a member of the Institute of Chartered Accountants in England & Wales and the Malaysian Institute of Accountants.

He was attached as a trainee accountant with Price Waterhouse in London from October, 1988 to January, 1992 and qualified as a Chartered Accountant in 1991. From February, 1992 to February, 1994, he was a Manager in the Internal Audit Department (European Treasury) of Citibank N.A. based in London. Upon returning to Malaysia in 1994, he joined a financial institution in Malaysia. From October, 1994 to December, 2001, he was the General Manager - Finance & Corporate Affairs of a public company listed on the Main Board of the Kuala Lumpur Stock Exchange, which was engaged in the manufacture of biscuits and sweets, property investment, manufacture and distribution of metal tins, cans and paper cartons.

Since July 2002, he has worked for Computer Forms (Malaysia) Berhad ("CFM"). His current position is Executive Director and Chief Financial Officer of CFM. He is also Director of FCW Holdings Berhad, United Bintang Berhad and Keladi Maju Berhad. He was a Director of Malaysia Aica Berhad from 2002 to July 2013.

## PROFILE OF DIRECTORS (CONT'D)

### **Thor Poh Seng**

*Independent Non-Executive Director*

Thor Poh Seng, aged 53, Malaysian, was appointed to the Board of Computer Forms (Malaysia) Berhad on 14 March 2006 and was also appointed as Chairman of the Audit Committee and member of the Nomination Committee on the same date. He was appointed the Chairman of the Remuneration Committee on 11 December 2006 and Chairman of the Nomination Committee on 9 November 2007. On 1 December 2008, he resigned as the Chairman of the Audit Committee but remained as a member of the Audit Committee.

He holds a Bachelor of Engineering degree from Universiti Pertanian Malaysia (now known as Universiti Putra Malaysia) and a Master's degree in Business Management from the Asian Institute of Management, Philippines.

Mr Thor was an ex-merchant banker from Commerce International Merchant Banker Berhad (now known as CIMB Investment Bank Berhad) ("CIMB") with extensive experience in corporate finance and corporate planning. Prior to joining CIMB, he has held senior positions in operations and in finance in Dunlop Estates Berhad and Sitt Tatt Berhad respectively.

Presently, he is also a Director of Malaysia Aica Berhad, FCW Holdings Berhad, Keladi Maju Berhad and Executive Chairman of PDZ Holdings Bhd. Mr Thor was a Board member of Jasa Kita Berhad from 1993 to 2013, GPA Holdings Berhad from 2000 to 2013, Marco Holdings Berhad from 2001 to 2013 and Goh Ban Huat Berhad from 2008 to 2013.

### **Ou Wee Sun**

*Independent Non-Executive Director*

Ou Wee Sun, aged 43, Malaysian, was appointed to the Board of Computer Forms (Malaysia) Berhad on 14 March 2006 and was also appointed as member of the Audit Committee and Nomination Committee on the same date. On 11 December 2006, he was appointed as member of the Remuneration Committee.

Mr Ou holds a Bachelor of Business degree from the Edith Cowan University, Australia and is a member of CPA Australia. He is also a Chartered Accountant of the Malaysian Institute of Accountants.

He started his career in financial auditing with Coopers & Lybrand. He later moved to Deloitte KassimChan before joining a large diversified public listed company in 1994. He joined Moores Rowland Risk Management Sdn Bhd in 2001 to spearhead the company's internal audit and risk management services. Currently, he is the General Manager of a consultancy company specialising in internal audit and risk management. He is also Director of GPA Holdings Berhad.

### **Wong Hok Yim**

*Independent Non-Executive Director*

Wong Hok Yim, aged 47, Permanent Resident, was appointed to the Board of Computer Forms (Malaysia) Berhad on 1 June 2013.

Mr Wong graduated from DeMonfort University, Leicester, United Kingdom in 1992 with a Bachelor of Science combined studies degree majoring in Accounting and minoring in Law. Subsequently, he obtained Master in Business Administration in Finance from University of Hull, United Kingdom in 1997. He is also Director of GPA Holdings Berhad, Marco Holdings Berhad, Malaysia Aica Berhad and PDZ Holdings Bhd.

## PROFILE OF DIRECTORS (CONT'D)

### ADDITIONAL INFORMATION ON THE DIRECTORS:

- **Family Relationship**

There is no family relationship among the Board members and/or the major shareholders of the Company.

- **Conflict of Interest**

To date, there has not been any occurrence of conflict of interest between any Board Member and the Company.

- **Conviction of Offences**

None of the Directors have been convicted of any offence within the past 10 years, other than traffic offences, if any.

# STATEMENT OF CORPORATE GOVERNANCE

The Board of Directors of Computer Forms (Malaysia) Berhad (“CFM” or “the Company”) is committed to ensuring that appropriate standards of corporate governance are observed throughout the Group as fundamental part of discharging its responsibilities with ultimate aim of protecting and enhancing shareholders’ value and financial performance of the Group.

The Board is committed to apply and practise the principles and best practices in corporate governance as recommended in the Malaysian Code on Corporate Governance 2012 (“the Code”) in managing and directing the business affairs of the Group.

Set out below are the disclosure on the application of the principles and extent of compliance with the recommendations set out in the Code by the Group during the financial year ended 31 March 2013.

## A. BOARD OF DIRECTORS

### The Board

The Board has overall responsibility in charting the strategic direction of the Group, overseeing the entire Group’s businesses to ensure that they are properly managed and carried out, and ultimately the enhancement of long-term shareholders’ value.

### Board Balance

The Board currently comprises six members with an Independent Non-Executive Chairman, a Managing Director, an Executive Director and three Independent Non-Executive Directors.

To ensure a balance of power and authority, there is a clear division of responsibility between the roles of the Chairman and the Managing Director. The Chairman guides and ensures the effectiveness of the Board policies, while the Managing Director is tasked to run the day to day management of the business as well as the implementation of the Board’s policies and decisions. The Board considers its current composition with the mix of skills and expertise sufficient and optimum for the discharge of its duties and responsibilities effectively. A brief profile of each Director is presented from pages 8 to 10 of this Annual Report.

The Board acknowledges that the role of independent non-executive directors are particularly important as they contribute independent judgment towards the Group’s business activities and strategies. In this respect, the four independent non-executive directors sitting on the Board which constitute more than one-third of the Board composition, are capable of ensuring a balanced and independent judgment on issues requiring the Board’s deliberation and decision.

### Board of Directors’ Meeting

The Board meets to review and discuss matters specifically reserved to itself for decision to ensure that the direction and control of the Group is firmly in its hands. Key matters tabled at Board meetings include review and adoption of the Group’s quarterly and year end financial results, business plan, annual budget, assets acquisition, approval on major capital expenditure projects and consideration of significant financial matters, Group policies and delegated authority limits.

During the financial year ended 31 March 2013, two Board meetings were held with full attendance of all Directors. All proceedings, deliberation and conclusions of the Board meetings were properly recorded by the Company Secretary present at the meetings.

## STATEMENT OF CORPORATE GOVERNANCE (CONT'D)

### A. BOARD OF DIRECTORS (CONT'D)

#### Board Committees

The following Board Committees have been established to assist the Board in discharging its responsibilities. These committees are delegated with specific responsibility as defined in their respective terms of reference, each committee will deliberate and examine issues within its terms of reference and report to the Board with recommendation(s).

#### (i) Audit Committee

Details of the Audit Committee Report are set out on pages 17 to 19 of this Annual Report.

#### (ii) Nomination Committee

The Nomination Committee, which was established on 30 July 2002, comprises two members, both of whom are Independent Non-Executive Directors.

The members of the Nomination Committee are:-

- (1) Mr Thor Poh Seng
- (2) Mr Ou Wee Sun

The Nomination Committee is tasked with the responsibility of recommending to the Board, suitable candidates for appointment as Directors and to fill the seats on Board Committees whenever necessary. It will also carry out the process of assessing the effectiveness of the Board as a whole, the Board Committees and the performance and contribution of each individual Director towards the Group, including the independent non-executive directors as well as assessment of the independence of the independent directors. All assessments and evaluations carried out were properly documented.

Decision on appointments of new Directors is made by the full Board on a collective basis after considering recommendations of the Nomination Committee.

Generally, the Nomination Committee will assist the Board to review annually its required mix of skills, experience and other qualities, including core competencies which the Non-Executive Directors should bring to the Board.

The Nomination Committee met twice during the financial year with full attendance of the Committee members.

#### (iii) Remuneration Committee

The Remuneration Committee was established on 30 July 2002. It comprises wholly of Non-Executive Directors and the members of the Remuneration Committee are:-

- (1) Mr Thor Poh Seng
- (2) Mr Ou Wee Sun

The Remuneration Committee's primary responsibility is to recommend to the Board the remuneration of the Executive Directors in all its forms, drawing from outside resources where necessary. The Remuneration Committee also reviews the remuneration packages and benefits accorded to the Executive Directors as well as the Non-Executive Directors' remunerations on an annual basis. In the case of Executive Director, the component parts of remuneration are structured to link rewards to corporate and individual performance. In the case of Non-Executive Directors, the level of remuneration reflects the level of participation and responsibilities undertaken by them.

## STATEMENT OF CORPORATE GOVERNANCE (CONT'D)

### A. BOARD OF DIRECTORS (CONT'D)

#### Board Committees (cont'd)

#### (iii) Remuneration Committee (cont'd)

The Board as a whole determines the remuneration package of Non-Executive Directors including the Non-Executive Chairman. The individuals concerned will abstain from discussing their own remuneration.

The Remuneration Committee met once during the financial year with full attendance of the Committee members.

Set out below are details of the Directors' remuneration of the Company in respect of the financial year ended 31 March 2013, distinguishing between Executive and Non-Executive Directors:-

Category of Remuneration	Executive Directors (RM)	Non-Executive Directors (RM)	Total (RM)
(a) Fees	-	84,000	84,000
(b) Salaries and Bonuses	443,300	-	443,300
(c) Contributions to provident funds, pension fund or other retirement benefit scheme	66,448	-	66,448
(d) Others	9,636	-	9,636
<b>Total</b>	<b>519,384</b>	<b>84,000</b>	<b>603,384</b>

The analysis of Directors' remunerations is as follows:

Band (RM)	No. of Executive Directors	No. of Non-Executive Directors	Total
1 - 50,000	1	3	4
450,001 - 500,000	1	-	1
<b>Total</b>	<b>2</b>	<b>3</b>	<b>5</b>

#### Re-election of Directors

In accordance with the Company's Articles of Association, Directors shall retire from office at least once every three (3) years, and shall be eligible for re-election at each Annual General Meeting. All newly appointed Directors shall hold office until the conclusion of the next Annual General Meeting and shall be eligible for re-election. Directors who are above the age of seventy (70) years are required to submit themselves for re-appointment by shareholders annually in accordance with Section 129(6) of the Companies Act, 1965.



## STATEMENT OF CORPORATE GOVERNANCE (CONT'D)

### A. BOARD OF DIRECTORS (CONT'D)

#### Directors' Training

The Board of Directors acknowledges the importance of continuous education for keeping abreast with regulatory updates and developments in the business environment.

Newly appointed directors will be provided with a brief induction of the Group's business operations, past performances and corporate exercise undertaken.

Apart from the Mandatory Accreditation Programme ("MAP") accredited by Bursa Malaysia Securities Berhad ("BMSB"), the Directors are also encouraged to attend various seminars and training programmes to constantly stay updated with changes and development in various aspects of the business environment.

During the financial year under review, the Directors had attended talks, seminars and training programmes which covered the following topics:-

- Advocacy sessions on Disclosure for Chief Executive Officers and Chief Financial Officers
- Governance, Risk Management and Compliance: What Directors should know?
- Directors' Training – Business Succession Planning and Protecting your Business and Family (Tax Issue & Implications)
- Making the most of the Chief Financial Officers Role: Everyone's Responsibility?
- MIA Conference 2012
- Competition Act 2010

The Board will continue to evaluate and determine the training needs of the Directors from time to time to enhance their skills and knowledge in order to discharge their duties effectively.

#### Supply of Information

All the Directors are provided with a set of board papers before board meetings consisting of the agenda and all other relevant materials. This procedure enables the Directors to have sufficient time to peruse the papers and if necessary, to obtain further information or clarification from the Management.

In addition to the board papers, the Board would also be provided with texts of any major corporate announcements to be released to BMSB and kept informed of any new legislation, rules and regulations issued by the various regulatory authorities, where relevant.

In furtherance of their duties, the Directors as a full Board or in their individual capacity have access to all information relating to Group as well as unrestricted access to the advice and services of the senior management and the Company Secretaries. The Directors may also engage independent professional services, where necessary.

### B. SHAREHOLDERS

#### Dialogue between Companies and Investors

The Board of Directors acknowledges the need for shareholders to be informed of all material business matters affecting the Group and as such, maintains a constructive communication policy, which enables the Board and the Management to communicate effectively with the shareholders and the investing public generally.

In this respect, the Board observes timely release of quarterly financial results and corporate proposal announcements via the Bursa Link and the press (where appropriate), annual reports and circulars to shareholders to ensure that the shareholders and investing public are kept informed of the Group's performance and prospect.

## STATEMENT OF CORPORATE GOVERNANCE (CONT'D)

### B. SHAREHOLDERS (CONT'D)

#### Dialogue between Companies and Investors (cont'd)

In addition, the Company has a website, [www.cfm.com.my](http://www.cfm.com.my) which provides an avenue for the public at large to access all the Company's information inclusive of all announcements. The public may also forward their queries and concerns regarding the Company to the designated person(s) whose contact details are included in the Company's website.

#### General Meeting of Shareholders

The Annual General Meeting ("AGM") of the shareholders of the Company represents the principal forum for dialogue and interaction between the Board and the shareholders, during which the shareholders are given the opportunity to raise questions pertaining to the resolutions tabled thereat or business activities of the Group. The Board members, Senior Management and the Company's external auditors are available to respond to shareholders' questions during each AGM. Extraordinary General Meeting ("EGM") is held as and when shareholders' approvals are required on specific matters. Notices of AGM and EGM are sent out to the shareholders within a reasonable and sufficient time frame and are published in a nationally circulated newspaper. A press conference may be held after each AGM or EGM of the Company, if necessary.

### C. ACCOUNTABILITY AND AUDIT

#### Financial Reporting

The CFM Group aims to provide and present a clear, balanced and comprehensive assessment of its financial performance and prospect through the annual financial statements and quarterly results to the shareholders and investing public.

In this respect, the Board is assisted by the Audit Committee in reviewing and overseeing the Group's financial reporting process to ensure correctness and adequacy before tabling the financial statements and quarterly results to the Board for further review prior to announcement or presentation to the shareholders at AGM. The statement by Directors pursuant to Section 169 (15) of the Companies Act, 1965 is set out on page 27 of this Annual Report.

#### Internal Control

The CFM Group's Statement on Risk Management and Internal Control which provides an overview of the state of internal controls within the Group is set out on pages 20 to 21 of this Annual Report.

#### Relationship with Auditors

The Board, the Audit Committee and the Management maintain a formal and transparent relationship with the Group's Auditors in seeking their professional advice and opinion on accounting matters to ensure compliance with the relevant financial reporting standards. The relationship between the Audit Committee and the Auditors is set out on pages 17 to 19 of this Annual Report.

### D. OTHER INFORMATION

#### a) Options, Warrants or Convertible Securities

The Company did not issue warrants or convertible securities during the financial year.

#### b) Non-Audit fees

Non-audit fee amounting to RM2,500.00 was paid to the external auditors during the financial year ended 31 March 2013.

## STATEMENT OF CORPORATE GOVERNANCE (CONT'D)

### D. OTHER INFORMATION (CONT'D)

#### c) Material contracts

There were no material contracts entered into by the Company and the Group which involved Directors' and major shareholders' interest during the financial year.

#### d) Corporate Social Responsibility (CSR)

The Group takes into account the significance of environment, social obligations and corporate governance matters in pursuing its business objectives. Throughout the year, the Group carries out its CSR activities focusing on the following areas:

##### i) Occupational Safety & Health Commitment

The Group is committed to ensuring minimal impact on the environment as well as to protecting the safety and health of our employees, customers and neighbours.

Over the years, the Group has developed and formulated occupational safety and health policies to ensure a safe work place environment for our employees, customers and neighbours.

The Group is also committed to implementing policies and procedures including work instructions that assist in ensuring our operations are conducted and performed in accordance and in compliance with existing laws, regulations and standard.

##### ii) Environmental Practice

Paper is our main raw material and wherever possible we try to source from reputable paper mills that practice sustainable forest management. Apart from selecting environmentally responsible vendors, efforts are being made to educate some of our customers to utilise recycled paper.

The Group is committed to ensuring that all our waste materials are disposed of in an environmentally friendly way. Our waste papers are sent to a paper recycling plant. Ink and chemical waste are collected and disposed by Quality Alam, the approved government agency responsible for toxic waste disposal.

### E. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are required by the Companies Act, 1965 (the "Act"), to ensure that financial statements of the Company and the Group for each financial year are drawn up in accordance with the applicable approved accounting standards of Malaysia and the provision of the Act so as to give a true and fair view of the Company and the Group's affairs, results and cashflow position for the financial year.

The Directors consider that in preparing the financial statements for the year ended 31 March 2013, the CFM Group had used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates, and that all applicable accounting standards have been followed.

The Directors are also responsible for ensuring that the CFM Group keeps adequate accounting records, which disclose with reasonable accuracy the financial position of the CFM Group at any point of time. In addition, the Directors have taken steps to safeguard the assets of the CFM Group to prevent and detect fraud and other irregularities.

# AUDIT COMMITTEE REPORT

The Board of Directors of Computer Forms (Malaysia) Berhad ("CFM" or "the Company") is pleased to present the CFM Audit Committee Report for the financial year ended 31 March 2013.

## COMPOSITION OF THE AUDIT COMMITTEE

Name	Directorship	Membership
1. Dato' Ibrahim Mahaludin Bin Puteh	Independent & Non-Executive	Chairman
2. Thor Poh Seng	Independent & Non-Executive	Member
3. Ou Wee Sun ( <i>MIA member</i> )	Independent & Non-Executive	Member

## TERMS OF REFERENCE

### 1. Membership

- a) The CFM Audit Committee shall be appointed by the Board from amongst their number and shall consist of not less than three (3) members, a majority of whom shall be independent non-executive directors.
- b) At least one member of the Committee must be qualified under paragraph 15.09(1)(c) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR").
- c) Executive Director(s) and alternate director(s) cannot be appointed as member(s) of the Committee.
- d) The Chairman of the Committee shall be an independent non-executive director appointed by the Board.
- e) In the event of any vacancy in the Committee that results in non-compliance of paragraph 15.09(1) of the MMLR, the vacancy shall be filled within three (3) months.

### 2. Authority

The Audit Committee shall, at the Company's expense, have the following authority and rights:-

- a) to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee;
- b) to obtain independent professional advice and to secure the attendance of outsiders with relevant experience and expertise at its meetings if it considers this necessary;
- c) full and unrestricted access to any information and documents from the external auditors and senior management of the Company and the Group which are relevant to the activities of the Company;
- d) be provided with the necessary resources which are required to perform its duties;
- e) have direct communication channel with the external auditors and persons carrying out the internal audit function of the Company;
- f) be able to convene meetings with the external auditors, the internal audit consultants or both, excluding the attendance of other directors and employees of the Group, whenever deemed necessary; and
- g) may extend invitation to other non-member directors and officers of the Company to attend a specific meeting, whenever deemed necessary.

## AUDIT COMMITTEE REPORT (CONT'D)

### TERMS OF REFERENCE (CONT'D)

#### 3. Duties

The duties of the Committee shall be:-

- (a) to review :-
  - (i) with the external auditors, their audit plan;
  - (ii) with the external auditors, their evaluation of the system of internal controls;
  - (iii) with the external auditors, their audit report;
  - (iv) the assistance given by the Company's officers to the external auditors and to meet with the external auditors without executive board members present at least twice a year;
  - (v) the statement of financial position and statement of comprehensive income of the Company and, if it is a holding company, the consolidated statement of financial position and consolidated statement of comprehensive income, submitted to it by the Company, and thereafter to submit them to the directors of the Company;
  - (vi) any related party transactions that may arise within the Company or Group;
  - (vii) the adequacy of the scope, functions, competency and resources of the internal audit consultants and to ensure that it has the necessary authority to carry out its work;
  - (viii) to take cognizance of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his/her reasons for resigning, if the staff member concerned so desires; and
  - (ix) any internal audit programme, processes, the results of the internal audit programme, processes or investigations undertaken and whether or not appropriate action is taken on the recommendations of the internal audit consultants;
- (b) To consider the nomination of external auditors and recommend to the Board of Directors for their appointment and the level of their fees;
- (c) To consider any resignation or removal of the external auditors, and to furnish such written explanation or representation from the external auditors to Bursa Malaysia Securities Berhad ("BMSB");
- (d) The Chairman of the Audit Committee should engage on a continuous basis with senior management, the head of internal audit and the external auditors in order to be kept informed of matters affecting the company; and
- (e) To undertake such other functions as may be agreed by the Audit Committee and the Board of Directors.

#### 4. Meetings of the Audit Committee

Meeting shall be held not less than four times a year. In addition, the Chairman of the Committee may call a meeting of the Committee upon the request of the external auditors, to consider any matter the external auditors believe should be brought to the attention of the Board and shareholders. Other Board members shall also have the right of attendance. At least twice a year the Committee shall meet with the external auditors without executive Board members' present.

Majority members present in person who are independent non-executive directors shall be a quorum.

The Company Secretaries shall be the Secretaries of the Committee.



## AUDIT COMMITTEE REPORT (CONT'D)

### TERMS OF REFERENCE (CONT'D)

#### 4. Meetings of the Audit Committee (cont'd)

The details of attendance of Audit Committee Members at the Audit Committee Meetings held during the financial year ended 31 March 2013 are as follows:-

Audit Committee Members	Status	No. of Audit Committee Meetings attended
1. Dato' Ibrahim Mahaludin Bin Puteh	Chairman, Independent Non-Executive Director	3/4
2. Thor Poh Seng	Independent Non-Executive Director	4/4
3. Ou Wee Sun	Independent Non-Executive Director	4/4

#### 5. Performance Review

The term of office and performance of the CFM Audit Committee and each of its members shall be reviewed by the Board of Directors of the Company at least once every three years to determine whether the Committee and its members have carried out their duties in accordance with these Terms of Reference.

### SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

- i) Reviewed the Group's quarterly financial results and made suitable recommendations thereon to the Board for adoption prior to their release to BMSB for the financial quarters ended 31 March 2012, 30 June 2012, 30 September 2012 and 31 December 2012.
- ii) Reviewed the audited financial statements of the Company and the Group for the financial year ended 31 March 2012, and made suitable recommendations thereon to the Board for adoption prior to its release to BMSB and presentation to the shareholders at the Company's 50th Annual General Meeting.
- iii) Reviewed the Group Budget for the financial year ended 31 March 2013.
- iv) Reviewed and discussed the audit findings presented by the External Auditors in respect of the audit for the financial year ended 31 March 2012.
- v) Reviewed the Audit Plan for the financial year ended 31 March 2013 presented by the External Auditors.
- vi) Reviewed internal audit reports prepared by the Group's internal audit consultants on the following areas:-
  - Procurement for CFM Printing & Stationery Sdn Bhd and Contipak Noron Sendirian Berhad
  - Inventories - CFM Printing & Stationery Sdn Bhd and Contipak Noron Sendirian Berhad
- vii) Reviewed and discussed with management, audit findings and recommendations proposed by the internal audit consultants for the enhancement of internal control systems.

### INTERNAL AUDIT FUNCTION

The Board recognises that effective internal control is essential to ensure that every aspect of the Group's operations and management are conducted with clear lines of control and accountability with the ultimate objective of safeguarding shareholders' investment and the Group's assets. It had in March 2002 outsourced its internal audit function to an independent firm of consultants.

The total cost incurred for the Group's internal audit function in respect of the financial year ended 31 March 2013 was RM27,503.00. Activities of the internal audit function are detailed in the Statement on Risk Management and Internal Control on pages 20 to 21 of this Annual Report.



# STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

The Board of Directors of Computer Forms (Malaysia) Berhad (“CFM” or “the Company”) is committed to continuously improving the CFM Group’s risk management and internal control systems and is pleased to present the following Statement on Risk Management and Internal Control for the financial year ended 31 March 2013. This Statement is made in pursuant to Paragraph 15.26 (b) of the Bursa Malaysia Securities Berhad Main Market Listing Requirements and the Statement on Risk Management & Internal Control: Guidelines for Directors of Public Listed Issuers, 2012.

## 1. Board’s Responsibility

The Board recognizes the importance of sound internal controls and risk management practices to good corporate governance. The Board acknowledges its overall responsibility in establishing a sound risk management framework and internal control system within the CFM Group. The Board is equally aware that the risk management framework and internal control system are designed to manage the CFM Group’s risks within an acceptable risk appetite, rather than eliminate the risk of failure to achieve the policies, goals and objectives of the CFM Group. In this regard, the risk management framework and internal control system can only provide reasonable assurance, and not absolute assurance against material misstatement of financial information and records or against financial losses or fraud.

The key elements of the CFM Group’s internal control system are described below:

- Clearly defined delegation of responsibilities to committees of the Board and to operating units, including authorization levels for all aspects of the business.
- The CFM Group’s management operates a risk management process that identifies the key risks by line of business and key functional activities.
- Regular visits by internal auditors to monitor compliance with procedures and to assess the integrity and reliability of financial information.
- Regular review of reports from the management covering various aspects of business, key operating statistics/indicators, legal, environmental and regulatory matters.
- Detailed budgeting process where operating units prepare budgets for the coming year which are approved both at operating unit level and by the Board and a quarterly monitoring of results against budget with major variances being explained and followed up with management action, where necessary.
- Regular visits to operating units by members of the Board and senior management whenever appropriate.
- The CFM Group’s internal audit function reporting to the Audit Committee performs regular reviews of business processes to assess the effectiveness of internal controls and highlight significant risks impacting the CFM Group.
- The Audit Committee reviews and holds discussions on the action taken on internal control issues identified in reports prepared by the internal audit function.
- The Group’s subsidiary CFM Toppan (M) Sdn Bhd was on 9 February 2011 accredited with ISO9001:2008 international quality system standard. The ISO system provides improved control of key processes as well as policies and procedures for ensuring consistent quality and customer satisfaction.
- The CFM Group has in place an organizational structure with defined lines of responsibility, delegation of authority and a process of hierarchical reporting.
- The Executive Directors report to the Board on significant changes in the business and external environment, which affect the CFM Group. The Board is provided with financial information on a quarterly basis, which includes key performance and risk indicators and amongst others, the monitoring of results against budget.

## STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL (CONT'D)

### 2. Risk Management Framework

The overall risk management practice of the CFM Group involves an ongoing process designed to identify the principal risks to the achievement of the CFM Group's policies, goals and objectives, to evaluate the nature and extent of those risks and to proactively manage them efficiently, effectively and economically. The CFM Group adopts an enterprise wide risk management approach in accordance with their main functional activities. This process has been in place for the year under review and up to the date of issuance of the annual report and financial statements.

#### *Risk identification and evaluation process*

The risks are identified through a series of interviews and discussions with the key personnel and management of the CFM Group. The risk identification process includes consideration of both internal and external environmental factors. External environmental factors include economic and political changes, changes in the behavior of competitors, new regulations or legislations and technological developments. Internal factors include changes in key personnel, introduction of new or revision of existing policies and procedures. Next, the risks identified are evaluated by examining the potential impact on the Group if a risk was to crystallize as well as the likelihood of occurrence. The impact is rated on a scale of A to E, A to indicate the lowest impact and E to indicate the highest impact. Whereas the likelihood of a risk crystallizing is rated on a scale of 1 to 5, 1 to indicate lowest probability and 5 indicate the highest probability. The risk level shall be rated low, medium and high and be determined according to the Control Values, Likelihood and Consequence Matrix.

#### *Risk adoption and monitoring process*

All the risks identified are documented into a Risk Register. The Risk Register of the CFM Group is updated on an ongoing basis and approved by the Board.

The Risk Register serves as a tool for the heads of department/ business unit for managing key risks applicable to their areas of business activities on a continuous basis. All key risks and issues are regularly reviewed and resolved by the Management team at regular meeting. Through these mechanisms, key risks identified in the Risk Register are timely assessed and control procedures or mitigating factors are re-evaluated accordingly in order to ensure that the key risks are mitigated to an acceptable level.

### 3. Internal Audit Function

The Internal Audit Function of CFM Group has been outsourced to independent firms of consultants since March 2002. The Internal Audit Function, in which a head of internal audit has been identified, reports directly to the Audit Committee.

The Internal Audit Function on a regular basis reviews the effectiveness and adequacy of control procedures adopted by the CFM Group in mitigating the key risks identified in the Risk Register. Any weaknesses noted during the review are reported to the Audit Committee. Through these mechanisms, the Audit Committee can be assured that the key risks of the CFM Group are regularly reviewed and appropriately managed to an acceptable level.

### 4. Assurance from Management

In accordance with the Statement on Risk Management & Internal Control – Guidelines for Directors of Listed issuers, the Board has received assurance from the Chief Executive Officer and Chief Financial Officer that to the best of their knowledge the risk management and internal control of the CFM Group are operating effectively and adequately, in all material respects, based on the risk management and internal control framework adopted by the CFM Group.

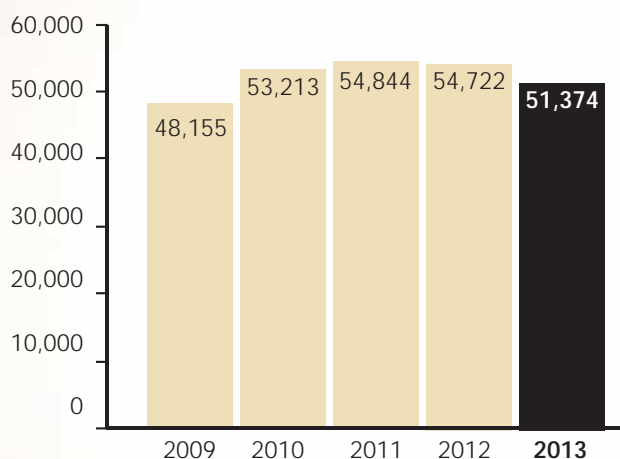
### 5. Review of the Statement by External Auditors

As required by Paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the External Auditors has reviewed this Statement on Risk Management & Internal Control. The External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process the Board has adopted in the review of the adequacy and integrity of internal control and risk management of the CFM Group.

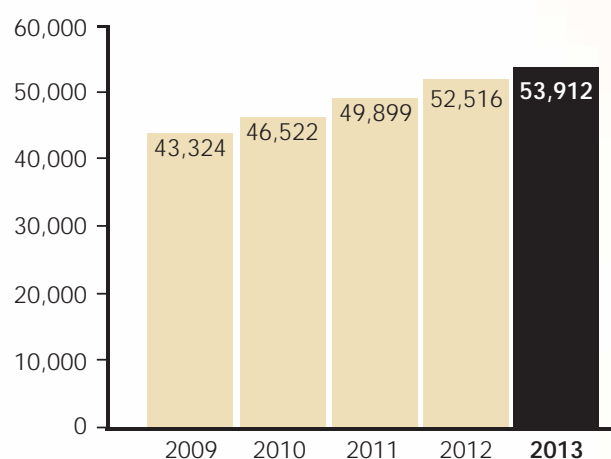
# 5 YEARS GROUP FINANCIAL HIGHLIGHTS

Group	2013 RM'000	2012 RM'000	2011 RM'000	2010 RM'000	2009 RM'000
Revenue	51,374	54,722	54,844	53,213	48,155
Profit/(Loss) Before Tax	2,219	3,542	4,849	4,413	1,333
Profit/(Loss) Attributable to Owners of the Parent	1,396	2,617	3,378	3,197	195
Shareholders' Funds	53,912	52,516	49,899	46,522	43,324
Earnings/(Loss) per share (sen)	3.41	6.38	8.24	7.80	0.46

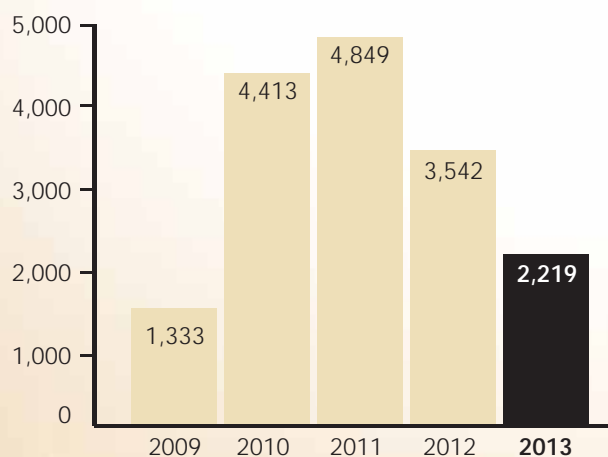
**REVENUE  
(RM'000)**



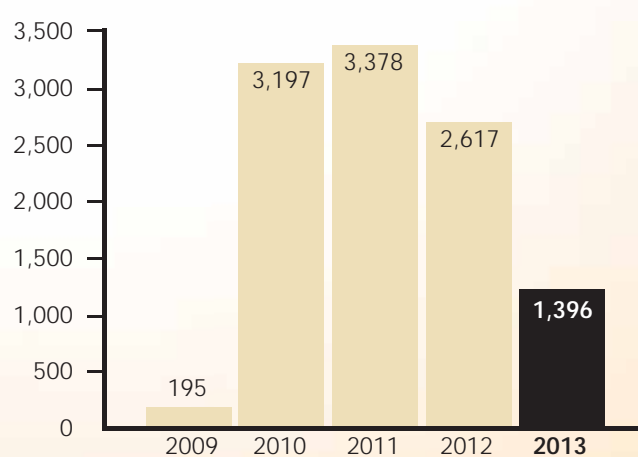
**SHAREHOLDERS' FUNDS  
(RM'000)**



**PROFIT BEFORE TAX  
(RM'000)**



**PROFIT ATTRIBUTABLE  
TO OWNERS OF THE PARENT  
(RM'000)**





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# DIRECTORS' REPORT

## for the financial year ended 31 March 2013

The directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2013.

### PRINCIPAL ACTIVITIES

The principal activities of the Company are that of printing and distributing of computer forms, stock forms and specialised forms. The principal activities of the subsidiary companies are set out in Note 11 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

### RESULTS

	The Group RM	The Company RM
Profit for the year	1,453,512	1,439,797

### DIVIDEND

No dividend has been paid, declared or proposed by the Company since the end of the previous financial year.

### SHARE CAPITAL

The Company did not issue any shares or debentures during the financial year.

### RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year except as disclosed in the financial statements.

### DIRECTORS

The directors in office since the date of the last report are:

Dato' Ibrahim Mahaludin Bin Puteh

Muhayuddin Bin Musa

Thor Poh Seng

Ou Wee Sun

Lee Yu Jin (appointed on 1 March 2013)

Wong Hok Yim (appointed on 1 June 2013)

In accordance with the Company's articles of association, Muhayuddin Bin Musa, Lee Yu Jin and Wong Hok Yim retire at the forthcoming annual general meeting and being eligible, offer themselves for re-election.

### DIRECTORS' INTERESTS

None of the directors in office at the end of the financial year had any interest in shares in the Company and its related corporations during the financial year.



## **DIRECTORS' REPORT (CONT'D)**

### **for the financial year ended 31 March 2013**

#### **DIRECTORS' BENEFITS**

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits disclosed as directors' remuneration in the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Neither at the end of the financial year, nor at anytime during the financial year, did there subsist any arrangements to which the Company is a party, being arrangements with the object or objects of enabling directors to acquire benefits by means of the acquisition of shares in the Company or shares in, or debentures of any other body corporate.

#### **STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS**

- (a) Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to:
- (i) ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
  - (ii) ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Group and of the Company have been written down to amounts which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances:
- (i) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
  - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
  - (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (c) As at the date of this report:
- (i) there are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liability of any other person; and
  - (ii) there are no contingent liabilities in the Group or in the Company which have arisen since the end of the financial year.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in the report or financial statements which would render any amount stated in the financial statements misleading.
- (e) No contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group or of the Company to meet their obligations as and when they fall due.



## **DIRECTORS' REPORT (CONT'D)**

### **for the financial year ended 31 March 2013**

#### **STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONT'D)**

(f) In the opinion of the directors:

- (i) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the current financial year in which this report is made.

#### **AUDITORS**

The auditors, Messrs Paul Chuah & Co., have indicated their willingness to continue in office.

On behalf of the board

**MUHAYUDDIN BIN MUSA**

**OU WEE SUN**

Kuala Lumpur  
Date: 12 July 2013

## STATEMENT BY DIRECTORS

In the opinion of the directors, the financial statements set out on pages 30 to 77 are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2013 and of the financial performance and cash flows of the Group and of the Company for the year then ended.

In the opinion of the Directors, the information set out in Note 29 on page 77 to the financial statements has been compiled in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Signed in accordance with a resolution of the directors

**MUHAYUDDIN BIN MUSA**

**OU WEE SUN**

Kuala Lumpur  
Date: 12 July 2013

## STATUTORY DECLARATION

I, Lee Yu Jin, being the director responsible for the financial management of Computer Forms (Malaysia) Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 30 to 77 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

**LEE YU JIN**

Subscribed and solemnly declared at Kuala Lumpur, Wilayah Persekutuan on 12 July 2013.

Before me:

**KAPT (B) AFFANDI BIN AHMAD (W602)**  
Commissioner for Oaths

# INDEPENDENT AUDITORS' REPORT

## to the Members of Computer Forms (Malaysia) Berhad (4423-H) (Incorporated in Malaysia)

### Report on the Financial Statements

We have audited the financial statements of Computer Forms (Malaysia) Berhad, which comprise statements of financial position as at 31 March 2013 of the Group and of the Company, and statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 30 to 77.

#### *Directors' Responsibility for the Financial Statements*

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we have considered internal controls relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 March 2013 and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

### Reporting on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- b) We have considered the financial statements and the auditors' report of the subsidiary of which we have not acted as auditors, which is indicated in note 11 to the financial statements.
- c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

## **INDEPENDENT AUDITORS' REPORT (CONT'D)**

### **to the Members of Computer Forms (Malaysia) Berhad (4423-H) (Incorporated in Malaysia)**

#### **Reporting on Other Legal and Regulatory Requirements (cont'd)**

- d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

#### **Other Reporting Responsibilities**

The supplementary information set out in Note 29 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

#### **Other Matters**

1. As stated in Note 1 to the financial statements, Computer Forms (Malaysia) Berhad adopted Malaysian Financial Reporting Standards on 1 April 2012 with a transition date of 1 April 2011. These standards were applied retrospectively by directors to the comparative information in these financial statements, including the statements of financial position as at 31 March 2012 and 1 April 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 March 2012 and related disclosures. We were not engaged to report on the restated comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Group and of the Company for the year ended 31 March 2013 have, in these circumstance, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 April 2012 do not contain misstatements that materially affect the financial position as of 31 March 2013 and financial performance and cash flows for the year then ended.
2. This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**PAUL CHUAH & CO. PLT**  
No. AF 1056  
Chartered Accountants

Kuala Lumpur  
Date: 12 July 2013

**CHUAH SUE YIN**  
No. 2540/04/14 (J)  
Partner of the firm

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

## for the year ended 31 March 2013

	NOTE	2013 RM	2012 RM
REVENUE	6	51,373,743	54,722,371
COST OF SALES		(42,091,292)	(44,202,305)
GROSS PROFIT		9,282,451	10,520,066
OTHER INCOME		226,818	242,905
DISTRIBUTION COSTS		(2,215,008)	(2,113,463)
ADMINISTRATION EXPENSES		(1,749,745)	(1,788,231)
OTHER EXPENSES		(2,340,148)	(2,206,301)
FINANCE COSTS		(985,349)	(1,113,124)
PROFIT BEFORE TAXATION	7	2,219,019	3,541,852
TAXATION	8	(765,507)	(858,701)
PROFIT FOR THE YEAR		1,453,512	2,683,151
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,453,512	2,683,151
PROFIT FOR THE YEAR AND TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
OWNERS OF THE PARENT		1,396,169	2,616,664
NON-CONTROLLING INTEREST		57,343	66,487
		1,453,512	2,683,151
EARNINGS PER SHARE (sen)			
- basic	9	3.41	6.38
- diluted	9	3.41	6.38

The accompanying notes are an integral part of these financial statements.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## as at 31 March 2013

NOTE	As at 31/3/2013 RM	As at 31/3/2012 RM	As at 1/4/2011 RM
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10 36,614,027	37,610,833	37,520,085
Goodwill on consolidation	12 1,309,392	1,309,392	1,309,392
Deferred taxation	19 -	43,688	-
	<b>37,923,419</b>	<b>38,963,913</b>	<b>38,829,477</b>
<b>CURRENT ASSETS</b>			
Inventories	13 14,609,430	15,478,450	14,091,892
Trade and other receivables	14 12,238,833	12,138,475	11,648,863
Tax recoverable	900,572	589,498	359,442
Cash and bank balances	15 8,910,438	9,297,946	9,193,858
	<b>36,659,273</b>	<b>37,504,369</b>	<b>35,294,055</b>
<b>TOTAL ASSETS</b>	<b>74,582,692</b>	<b>76,468,282</b>	<b>74,123,532</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>			
Share capital	16 41,000,000	41,000,000	41,000,000
Retained profits	12,911,943	11,515,774	8,899,110
	<b>53,911,943</b>	<b>52,515,774</b>	<b>49,899,110</b>
<b>NON-CONTROLLING INTEREST</b>	1,604,138	1,546,795	1,678,309
<b>TOTAL EQUITY</b>	<b>55,516,081</b>	<b>54,062,569</b>	<b>51,577,419</b>
<b>NON-CURRENT LIABILITIES</b>			
Long term borrowings	21 4,460,000	7,460,000	10,460,000
Hire purchase payables	17 313,506	12,312	113,078
Deferred taxation	19 3,216,884	2,892,559	2,501,972
	<b>7,990,390</b>	<b>10,364,871</b>	<b>13,075,050</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	20 4,244,232	4,146,229	4,192,351
Hire purchase payables	17 167,717	100,764	472,425
Short term borrowings	21 6,664,053	7,793,630	4,796,493
Taxation	219	219	9,794
	<b>11,076,221</b>	<b>12,040,842</b>	<b>9,471,063</b>
<b>TOTAL LIABILITIES</b>	<b>19,066,611</b>	<b>22,405,713</b>	<b>22,546,113</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>74,582,692</b>	<b>76,468,282</b>	<b>74,123,532</b>

The accompanying notes are an integral part of these financial statements.



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## for the year ended 31 March 2013

← Attributable to owners of the Parent →

	Share capital RM	Retained profits RM	Total RM	Non controlling interest RM	Total RM
Balance at 1 April 2011	41,000,000	8,899,110	49,899,110	1,678,309	51,577,419
Profit for the year	-	2,616,664	2,616,664	66,487	2,683,151
Total comprehensive income	-	2,616,664	2,616,664	66,487	2,683,151
Transaction with owners: Dividend paid to non- controlling interest	-	-	-	(198,001)	(198,001)
Balance at 31 March 2012	41,000,000	11,515,774	52,515,774	1,546,795	54,062,569
Balance at 1 April 2012	41,000,000	11,515,774	52,515,774	1,546,795	54,062,569
Profit for the year	-	1,396,169	1,396,169	57,343	1,453,512
Total comprehensive income	-	1,396,169	1,396,169	57,343	1,453,512
Balance at 31 March 2013	41,000,000	12,911,943	53,911,943	1,604,138	55,516,081

The accompanying notes are an integral part of these financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

## for the year ended 31 March 2013

	NOTE	2013 RM	2012 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		2,219,019	3,541,852
Adjustments for:			
Gain on disposal of property, plant and equipment		(25,000)	(3,856)
Allowance for impairment of receivables		-	10,440
Allowance for impairment of receivables no longer required		(300)	(600)
Depreciation		2,053,328	2,023,243
Inventories written off		97,349	79,917
Interest expense		985,349	1,113,124
Interest income		(66,354)	(65,407)
Property, plant and equipment written off		147	2,743
Unrealised gain on foreign exchange		(6,043)	(9,806)
		<hr/>	<hr/>
Profit before working capital changes		5,257,495	6,691,650
Working capital changes:			
Inventories		771,671	(1,466,475)
Trade and other receivables		(91,888)	(487,268)
Trade and other payables		95,889	(48,765)
		<hr/>	<hr/>
Cash inflows from operations		6,033,167	4,689,142
Interest received		66,354	65,407
Interest paid		(985,349)	(1,113,124)
Tax paid		(738,568)	(751,433)
Tax refund		30,000	-
		<hr/>	<hr/>
Net cash inflows from operating activities		4,405,604	2,889,992
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Sales proceeds from disposal of property, plant and equipment		25,000	5,500
Placement of fixed deposit with a licensed bank		(705)	(606)
Purchase of property, plant and equipment	A	(496,669)	(2,118,378)
		<hr/>	<hr/>
Net cash outflows from investing activities		(472,374)	(2,113,484)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		-	(198,001)
Repayment of hire purchase payables		(191,853)	(472,427)
(Repayment)/drawdown of bankers acceptances		(862,000)	968,000
Repayment of term loan		(3,000,000)	(2,000,000)
		<hr/>	<hr/>
Net cash outflows from financing activities		(4,053,853)	(1,702,428)
<b>EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>			
		(13)	265
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>			
		(120,623)	(925,920)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	B	7,464,973	8,390,628
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	B	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes are an integral part of these financial statements.

# NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

## for the year ended 31 March 2013

### A. PROPERTY, PLANT AND EQUIPMENT

	2013 RM	2012 RM
During the year, the Group acquired the property, plant and equipment by:		
Cash	496,669	2,118,378
Hire purchase	560,000	-
	1,056,669	2,118,378
	1,056,669	2,118,378

### B. CASH AND CASH EQUIVALENTS

	2013 RM	2012 RM
Bank overdraft	(1,543,053)	(1,810,630)
Cash and bank balances	5,087,390	6,275,603
Fixed deposits with licensed banks	3,800,000	3,000,000
	7,344,337	7,464,973
	7,344,337	7,464,973

The accompanying notes are an integral part of these financial statements.

# STATEMENT OF COMPREHENSIVE INCOME

## for the year ended 31 March 2013

	NOTE	2013 RM	2012 RM
REVENUE	6	16,137,665	17,257,393
COST OF SALES		(10,630,173)	(11,340,313)
GROSS PROFIT		5,507,492	5,917,080
OTHER INCOME		12,078	2,913
DISTRIBUTION COSTS		(714,219)	(818,172)
ADMINISTRATION EXPENSES		(574,231)	(572,345)
OTHER EXPENSES		(1,416,481)	(1,436,303)
FINANCE COSTS		(840,497)	(952,633)
PROFIT BEFORE TAXATION	7	1,974,142	2,140,540
TAXATION	8	(534,345)	(573,133)
PROFIT FOR THE YEAR		1,439,797	1,567,407
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,439,797	1,567,407
PROFIT FOR THE YEAR AND TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
OWNERS OF THE PARENT		1,439,797	1,567,407

The accompanying notes are an integral part of these financial statements.

# STATEMENT OF FINANCIAL POSITION

## as at 31 March 2013

	NOTE	As at 31/3/2013 RM	As at 31/3/2012 RM	As at 1/4/2011 RM
<b>ASSETS</b>				
<b>NON – CURRENT ASSETS</b>				
Property, plant and equipment	10	9,593,171	9,634,258	9,885,097
Subsidiary companies	11	84,439,968	84,439,968	84,439,968
		94,033,139	94,074,226	94,325,065
<b>CURRENT ASSETS</b>				
Inventories	13	2,771,972	3,614,009	3,444,963
Trade and other receivables	14	2,577,713	3,004,742	3,135,943
Tax recoverable		140,456	139,603	330,303
Cash and bank balances	15	599,988	465,328	364,868
		6,090,129	7,223,682	7,276,077
<b>TOTAL ASSETS</b>		100,123,268	101,297,908	101,601,142
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>				
Share capital	16	41,000,000	41,000,000	41,000,000
Retained profits		21,049,636	19,609,839	18,042,432
<b>TOTAL EQUITY</b>		62,049,636	60,609,839	59,042,432
<b>NON- CURRENT LIABILITIES</b>				
Long term borrowings	21	4,460,000	7,460,000	10,460,000
Hire purchase payables	17	98,033	-	-
Deferred taxation	19	2,162,000	2,210,000	2,219,028
		6,720,033	9,670,000	12,679,028
<b>CURRENT LIABILITIES</b>				
Trade and other payables	20	25,217,056	23,509,439	25,539,189
Hire purchase payables	17	61,490	-	-
Short term borrowings	21	6,075,053	7,508,630	4,340,493
		31,353,599	31,018,069	29,879,682
<b>TOTAL LIABILITIES</b>		38,073,632	40,688,069	42,558,710
<b>TOTAL EQUITY AND LIABILITIES</b>		100,123,268	101,297,908	101,601,142

The accompanying notes are an integral part of these financial statements.



# STATEMENT OF CHANGES IN EQUITY

## for the year ended 31 March 2013

← Attributable to owners of the Parent →

	Share capital RM	Retained profits RM	Total RM
Balance at 1 April 2011	41,000,000	18,042,432	59,042,432
Profit for the year	-	1,567,407	1,567,407
Total comprehensive income	-	1,567,407	1,567,407
Balance at 31 March 2012	41,000,000	19,609,839	60,609,839
Balance at 1 April 2012	41,000,000	19,609,839	60,609,839
Profit for the year	-	1,439,797	1,439,797
Total comprehensive income	-	1,439,797	1,439,797
Balance at 31 March 2013	41,000,000	21,049,636	62,049,636

The accompanying notes are an integral part of these financial statements.

# STATEMENT OF CASH FLOWS

## for the year ended 31 March 2013

	NOTE	2013 RM	2012 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		1,974,142	2,140,540
Adjustments for:			
Allowance for impairment of receivables		-	10,440
(Gain)/loss on disposal of property, plant and equipment		(11,000)	1,144
Depreciation		401,657	368,568
Dividend income		(1,372,800)	(1,250,400)
Interest expenses		840,497	952,633
Property, plant and equipment written off		147	-
Inventories written off		59,818	23,700
Interest income		(1,078)	(1,389)
Profit before working capital changes		1,891,383	2,245,236
Working capital changes:			
Inventories		782,219	(192,746)
Trade and other receivables		161,957	110,786
Trade and other payables		309,223	98,248
Cash inflows from operations		3,144,782	2,261,524
Interest received		1,078	1,389
Interest paid		(840,497)	(952,633)
Tax paid		(239,999)	(141,861)
Net cash inflows from operating activities		2,065,364	1,168,419
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Placement of fixed deposit with a licensed bank		(705)	(606)
Sales proceeds from disposal of property, plant and equipment		11,000	500
Repayment of advances from subsidiary companies		265,072	9,975
Dividend received		1,029,600	1,000,800
Purchase of property, plant and equipment	A	(170,717)	(119,373)
Net cash inflows from investing activities		1,134,250	891,296

**STATEMENT OF CASH FLOWS (CONT'D)**  
for the year ended 31 March 2013

	NOTE	2013 RM	2012 RM
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of hire purchase payable		(30,477)	-
Advances from/(repayment of advances to) subsidiary companies		1,398,395	(2,127,998)
(Repayment)/drawdown of banker acceptances		(1,166,000)	1,139,000
Repayment of term loan		(3,000,000)	(2,000,000)
		<hr/>	<hr/>
Net cash outflows from financing activities		(2,798,082)	(2,988,998)
		<hr/>	<hr/>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		401,532	(929,283)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	B	(1,367,645)	(438,362)
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	B	(966,113)	(1,367,645)
		<hr/> <hr/>	<hr/> <hr/>

**A. PROPERTY, PLANT AND EQUIPMENT**

During the year, the Company acquired the property, plant and equipment by:

	2013 RM	2012 RM
Cash	170,717	119,373
Hire purchase	190,000	-
	<hr/>	<hr/>
	360,717	119,373
	<hr/> <hr/>	<hr/> <hr/>

**B. CASH AND CASH EQUIVALENTS**

	2013 RM	2012 RM
Cash and bank balances	576,940	442,985
Bank overdraft	(1,543,053)	(1,810,630)
	<hr/>	<hr/>
Total cash and cash equivalents	(966,113)	(1,367,645)
	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes are an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended 31 March 2013

### 1. BASIS OF PREPARATION

Computer Forms (Malaysia) Berhad is a public listed company incorporated and domiciled in Malaysia and quoted on the Main Market of Bursa Malaysia Securities Berhad.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 12 July 2013.

#### (a) Statement of compliance

The financial statements of the Group and of the Company comply with the Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

These are the Group's and the Company's first financial statements prepared in accordance with MFRSs and MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards has been applied.

In previous years, the financial statements of the Group and of the Company were prepared in accordance with the Financial Reporting Standards ("FRSs"). There are no adjustments arising from the transition to MFRSs except for those disclosed in Note 28.

On 1 April 2012, the Group and the Company adopted the following new MFRSs and IC Interpretations to published standards mandatory for annual financial periods beginning on or after 1 April 2012:

#### Standards/Interpretations

MFRS 1 – First-time Adoption of Malaysian Financial Reporting Standards

MFRS 3 – Business Combinations

MFRS 7 – Financial Instruments :Disclosures

MFRS 8 – Operating Segments

MFRS 101 – Presentation of Financial Statements

MFRS 102 – Inventories

MFRS 107 – Statement of Cash Flows

MFRS 108 – Accounting Policies, Changes in Accounting Estimates and Errors

MFRS 110 – Events after the Reporting Period

MFRS 112 – Income Taxes

MFRS 116 – Property, Plant and Equipment

MFRS 117 – Leases

MFRS 118 – Revenue

MFRS 119 – Employee Benefits

MFRS 121 – The Effects of changes in Foreign Exchange Rates

MFRS 123 – Borrowing Costs

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) for the year ended 31 March 2013

### 1. BASIS OF PREPARATION (CONT'D)

#### (a) Statement of compliance (cont'd)

##### Standards/Interpretations (cont'd)

MFRS 124 – Related Party Disclosures

MFRS 127 – Consolidated and Separate Financial Statements

MFRS 132 – Financial Instruments: Presentation

MFRS 133 – Earnings per Share

MFRS 134 – Interim Financial Reporting

MFRS 136 – Impairment of Assets

MFRS 137 – Provisions, Contingent Liabilities and Contingent Assets

MFRS 138 – Intangible Assets

MFRS 139 – Financial Instruments: Recognition and Measurement

IC Interpretation 4 – Determining whether an Arrangement Contains a Lease

IC Interpretation 9 – Reassessment of Embedded Derivatives

IC Interpretation 10 – Interim Financial Reporting and Impairment

IC Interpretation 17 – Distributions of Non-cash Assets to Owners

IC Interpretation 19 – Extinguishing Financial Liabilities with Equity Instruments

IC Interpretation 115 – Operating Leases - Incentives

IC Interpretation 125 – Income Taxes-Changes in the Tax Status of an Entity or its Shareholders

IC Interpretation 127 – Evaluating the Substance of Transactions involving the Legal Form of a Lease

The adoption of the above new MFRSs and IC Interpretations do not have any material effect on the financial statements of the Group and the Company except as disclosed in Note 28.

The following new MFRSs and Amendments to published standards have been issued and are relevant but are not yet effective to the Group and the Company:

Standards/Amendments	Effective date
Amendments to MFRS 101 – Presentation of Items of Other Comprehensive Income	1 July 2013
MFRS 10 – Consolidated Financial Statements	1 January 2013
MFRS 12 – Disclosures of Interests in other Entities	1 January 2013
MFRS 13 – Fair Value Measurement	1 January 2013
MFRS 119 – Employee Benefits (IAS 19 as amended by IASB in June 2011)	1 January 2013



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) for the year ended 31 March 2013

### 1. BASIS OF PREPARATION (CONT'D)

#### (a) Statement of compliance (cont'd)

Standards/Amendments	Effective date
MFRS 127 – Separate Financial Statements (IAS 27 as amended by IASB in May 2011)	1 January 2013
Amendments to MFRS 7 - Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Annual Improvements to MFRSs 2009 – 2011 Cycle as follows:	1 January 2013
<ul style="list-style-type: none"> <li>• Amendments to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards</li> <li>• Amendments to MFRS 101 Presentation of Financial Statements</li> <li>• Amendments to FRS 116 Property, Plant and Equipment</li> <li>• Amendments to FRS 132 Financial Instruments: Presentation</li> <li>• Amendments to FRS 134 Interim Financial Reporting</li> </ul>	
Amendments to MFRS 132 – Offsetting Financial assets and Financial Liabilities	1 January 2014
MFRS 9 – Financial Instruments (IFRS 9 issued by IASB in November 2009 and October 2011 respectively) and mandatory effective date of MFRS 9 and transition disclosures	1 January 2015

The initial adoption of the new MFRSs and Amendments do not have any material effect on the financial statements except as disclosed for MFRS 9.

#### **MFRS 9 Financial Instruments**

MFRS 9, as issued, reflects the first phase of the International Accounting Standards Board's (IASB's) work on the replacement of MFRS 139 *Financial Instruments: Recognition and Measurement* ("MFRS 139") and applies to classification and measurement of financial instruments as defined in MFRS 139.

In subsequent phases, the IASB will address hedge accounting and impairment of financial assets.

The Company will quantify the effect of adopting this MFRS when the final standard including all phases is issued.

#### **(b) Functional and presentation currency**

The financial statements are presented in Ringgit Malaysia which is the Group's and the Company's functional and presentation currency.

#### **(c) Basis of Measurement**

The financial statements are prepared under the historical cost convention unless otherwise indicated in the accounting policies.

## **NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

### **for the year ended 31 March 2013**

#### **1. BASIS OF PREPARATION (CONT'D)**

##### **(a) Statement of compliance (cont'd)**

##### **(d) Use of estimates and judgments**

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses, and the disclosure of contingent liabilities at the reporting date. However uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the assets or liabilities affected in the future.

##### **Key sources of estimation uncertainty**

The key assumptions concerning the future and other major sources of estimation uncertainty at the end of the reporting period that have significant risk of resulting in material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

##### **(i) Impairment of goodwill**

Goodwill is tested for impairment annually and at other time when such indicators exist. This requires an estimation of the value in use of the cash-generating units to which goodwill is allocated. Further details are disclosed in note 12.

##### **(ii) Impairment of receivables**

At each reporting date, on a quarterly basis, the Group and the Company assess whether there is any objective evidence that a financial asset is impaired. The Group and the Company review trade receivables' aging reports, report history and other available evidence of possible default by trade receivables. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. Further details are disclosed in note 14.

##### **(iii) Useful lives of property, plant and equipment**

The cost of property, plant and equipment are depreciated on a straight-line basis over the assets' estimated useful lives of 3 to 86 years. The useful lives are determined based on the experience of the management team with reference to the assets expected pattern of consumption. The carrying amount at the reporting date is disclosed in note 10.

#### **2. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and in preparing the opening MFRS statements of financial position of the Group and of the Company at 1 April 2011 (the transition date to MFRS framework), unless otherwise stated.

##### **(a) Basis of consolidation**

##### **(i) Business combinations**

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

## **NOTES TO THE FINANCIAL STATEMENTS (CONT'D)** **for the year ended 31 March 2013**

### **2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

#### **(a) Basis of consolidation (cont'd)**

##### **(i) Business combinations (cont'd)**

###### ***Acquisitions on or after 1 April 2011***

For acquisitions on or after 1 April 2011, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

###### ***Acquisition before 1 April 2011***

As part of its transition to MFRS, the Group elected not to restate those business combinations that occurred before the date of transition to MFRSs, i.e. 1 April 2011. Goodwill arising from acquisitions before 1 April 2011 has been carried forward from the previous FRS framework as at the date of transition.

##### **(ii) Acquisitions of non-controlling interests**

The Group treats all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

##### **(iii) Loss of control**

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity accounted investee or as an available-for-sale financial asset depending on the influence retained.

##### **(iv) Transactions eliminated on consolidation**

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

## **NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

### **for the year ended 31 March 2013**

#### **2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

##### **(a) Basis of consolidation (cont'd)**

###### **(v) Non-controlling interest**

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and owners of the Company.

##### **(b) Subsidiary companies**

Subsidiaries are entities, including unincorporated entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Control exists when the Company has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is held for sale or distribution. The cost of investments includes transaction costs.

##### **(c) Goodwill**

Goodwill is initially measured at cost. Following the initial recognition, goodwill is measured at cost less accumulated impairment losses, if any. Goodwill is allocated to cash generating units and is tested for impairment annually or more frequently if event or changes in circumstances indicate that the carrying value might be impaired. Where the recoverable amount of the cash-generating units is less than the carrying amount, an impairment is recognised in the profit or loss. Impairment losses for goodwill are not reversed in subsequent periods.

Gains or losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

##### **(d) Earning per share ("EPS")**

Basis EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares in issue during the year.

Diluted EPS is calculated by dividing the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares in issue during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

##### **(e) Property, plant and equipment**

All items of property, plant and equipment are initially recorded at costs.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

## **NOTES TO THE FINANCIAL STATEMENTS (CONT'D)** **for the year ended 31 March 2013**

### **2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

#### **(e) Property, plant and equipment (cont'd)**

Subsequent costs are included in the assets' carrying amounts or recognised as separate assets, as appropriate, only when it is probable that future economic benefits associated with the items will flow to the Group and the costs of the items can be measured reliably. The carrying amount of the replaced part is derecognised to profit or loss. All other repairs and maintenance are recognised in the profit or loss as incurred.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Capital work-in-progress is not depreciated.

Leasehold lands and buildings are amortised over the lease periods ranging from 12 to 86 years. Depreciation is provided for on a straight-line basis to write off the cost of each asset to its residual value over its estimated useful life, at the following annual rates:

Plant and machinery	%
Furniture, fittings, equipment and renovation	5 – 20
Motor vehicles	5 – 33.33
	20

The residual values, useful lives and depreciation methods are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised to profit or loss.

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount.

#### **(f) Inventories**

Inventories are valued at the lower of costs and net realisable values.

Cost of raw materials and consumables comprises the original cost of purchase and the costs of bringing the inventories to their present locations and conditions. The costs of work-in-progress and finished goods comprise cost of raw materials, direct labour, other direct costs and appropriate proportion of manufacturing overheads based on normal operating capacity. Cost is determined on the "first in, first out" basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

#### **(g) Foreign currencies**

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date, except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.



## **NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

### **for the year ended 31 March 2013**

#### **2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

##### **(g) Foreign currencies (cont'd)**

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments or a financial instrument designated as a hedge of currency risk, which are recognised in other comprehensive income.

##### **(h) Taxes**

Tax charged on the profit or loss for the year comprises current and deferred taxes. Current year tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the reporting date.

Deferred tax liabilities and assets are provided for under the liability method in respect of temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax base including unused tax losses and capital allowances. Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax laws that have been enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. The carrying amount of a deferred tax asset is reviewed at each reporting date. If it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset will be reduced accordingly. When it becomes probable that sufficient taxable profit will be available, such reductions will be reversed to the extent of the taxable profit.

##### **(i) Revenue recognition**

Revenue is recognised when it is probable that future economic benefits will flow to the entity and the revenue can be measured reliably.

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods have been transferred to the buyers.

Interest income is recognised using the effective interest method.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Dividend income is recognised when the right to receive payment has been established.

##### **(j) Impairment of assets**

The carrying amounts of the Group's and Company's assets other than inventories, deferred tax assets and financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated and an impairment loss is recognised whenever the recoverable amount is less than the carrying amount of the asset. The impairment loss is recognised in the profit or loss immediately. All reversals of an impairment loss are recognised as income immediately in the profit or loss.

## **NOTES TO THE FINANCIAL STATEMENTS (CONT'D)** **for the year ended 31 March 2013**

### **2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

#### **(k) Employee benefits**

##### **(i) Short term employee benefits**

Wages, salaries, bonuses and social security contributions are recognised as expenses in the year in which the associated services are rendered by employees of the Group and the Company.

##### **(ii) Defined contribution plans**

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF").

#### **(l) Share capital**

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs.

#### **(m) Segment reporting**

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in note 27, including the factor used to identify the reportable segments and the measurement basis of segment information.

#### **(n) Cash and equivalents**

Cash comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to cash with insignificant risk of changes in value.

#### **(o) Leases**

##### **(i) Classifications**

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. All leases that do not transfer substantially all the risks and rewards are classified as operating leases.

##### **(ii) Operating leases – the Group and the Company as lessee**

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

##### **(iii) Operating leases – the Group and the Company as lessor**

Assets leased out under operating leases are presented on the statement of financial position according to the nature of the assets. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

## **NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

### **for the year ended 31 March 2013**

#### **2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

##### **(p) Dividends**

Dividends on ordinary shares are recognised as liabilities when the obligation to pay is established.

The distribution of non-cash assets to owners is recognised as dividend payable when the dividend has been approved by shareholders. The dividend payable is measured at the fair value of the shares to be distributed. At the end of the reporting date and on the settlement date, the Group and the Company review the carrying amount of the dividend payable, with any changes in the fair value of the dividend payable recognised in equity. When the Group and the Company settle the dividend payable, the difference between the carrying amount of the dividend distributed and the carrying amount of the dividend payable is recognised as a separate line item in profit or loss.

##### **(q) Hire purchase payables**

Property, plant and equipment held under hire purchase are treated as if they had been purchased at cost at the commencement of the hire purchase agreement. This cost is included under property, plant and equipment and depreciation is provided accordingly. The corresponding obligations under hire purchase are included under liabilities. The finance charge element of installments payable is charged to the profit or loss using the sum of digits methods.

##### **(r) Financial assets**

The Group and the Company shall recognise a financial asset on their statements of financial position when the entities become parties to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or have been transferred and the Group and the Company have transferred substantially all their risks and rewards of ownerships of the financial assets.

Financial assets are initially recognised at fair value plus transactions costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transactions costs are expensed in the profit or loss.

At the time of initial recognition, financial assets are classified into the following specified categories: 'fair value through profit or loss, held-to-maturity investments, available-for-sale and loans and receivables'. The classification depends on the purpose of the financial asset.

##### **(i) Financial assets at fair value through profit or loss ( "FVTPL" )**

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- It has been acquired principally for the purpose of selling it in the near term;
- Part of a portfolio of identified financial instruments that are managed together and there are recent actual pattern of short-term profit-taking;
- It is a derivative (except for financial guarantee contract or a designated and effective hedging instrument).

## **NOTES TO THE FINANCIAL STATEMENTS (CONT'D)** **for the year ended 31 March 2013**

### **2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

#### **(r) Financial assets (cont'd)**

##### **(ii) Held-to-maturity investments**

Non-derivative financial assets with fixed or determinable payments and fixed maturity dates and that the Group has positive intention and ability to hold to maturity.

##### **(iii) Loans and receivables**

Loans and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

##### **(iv) Available- for- sale financial assets ("AFS")**

AFS are non- derivative financial assets that are designated as available- for-sale or are not classified as loans and receivables, held-to-maturity investments or FVTPL.

Investments in unquoted equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

FVTPL and AFS are subsequently carried at fair value. Held-to-maturity investments and loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in fair value from FVTPL are recognised in profit or loss.

Gains or losses arising from changes in fair value from AFS are recognised directly in equity.

Gains or losses from financial assets carried at amortised costs are recognised through profit or loss.

The Group and the Company assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets are impaired.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. The carrying amount of the asset shall be reduced directly through use of an allowance account. The amount of the loss is recognised in profit or loss. If there is reversal of previously recognised impairment loss, it is reversed either directly or by adjusting an allowance account. The reversal shall not result in the carrying amount of the financial assets exceeding what the amortised cost would have been had the impairment not been recognised at the date the impairment loss is reversed. The amount of reversal is recognised in profit or loss.

In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and current fair value, less any impairment loss on that investment previously recognised in the income statement – is removed from other comprehensive income and recognised in the income statement. Impairment losses on equity investments are not reversed through the income statement; increase in their fair value after impairments are recognised directly in other comprehensive income.

## **NOTES TO THE FINANCIAL STATEMENTS (CONT'D)** **for the year ended 31 March 2013**

### **2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

#### **(r) Financial assets (cont'd)**

For unquoted equity instruments carried at cost, if there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

#### **(s) Financial liabilities**

The Group and the Company shall recognise a financial liability on their statements of financial position when the entities become parties to the contractual provisions of the instruments.

Financial liabilities are derecognised when it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expired.

##### **(i) Financial liabilities at fair value through profit or loss ("FVTPL")**

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- It has been acquired principally for the purpose of selling it in the near term;
- Part of a portfolio of identified financial instruments that are managed together and there are recent actual pattern of short-term profit-taking;
- It is a derivative (except for financial guarantee contract or a designated and effective hedging instrument).

##### **(ii) Other financial liabilities**

Other financial liabilities are financial liabilities that are not classified as financial liabilities at FVTPL.

Other financial liabilities are initially recognised at fair value plus transactions costs. Financial liabilities carried at fair value through profit or loss are initially recognised at fair value and transactions costs are expensed in the profit or loss.

Other financial liabilities are subsequently carried at amortised cost using the effective interest method. Financial liabilities at FVTPL are measured at fair value except for derivatives liability that are linked to and must be settled by delivery of such unquoted equity instruments whose fair value cannot be reliably measured are measured at cost.

Gains or losses arising from changes in fair value from financial liabilities classified at FVTPL are recognised in profit or loss.

Gains or losses from other financial liabilities carried at amortised costs are recognised through profit or loss.



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) for the year ended 31 March 2013

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (t) Derivative financial instruments

Derivatives are initially recognised at fair value on the date the derivative contracts are entered into and are subsequently re-measured at their fair value at the end of each reporting period. The method of recognising gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

An embedded derivative shall be separated from the host contract and accounted for as a separate derivative if the risks and characteristics of the embedded derivative are not closely related to the economic characteristics and risks of the host contracts, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative and the hybrid instrument is not measured at fair value with changes in fair value recognised in profit or loss.

### 3. FINANCIAL RISK MANAGEMENT OBJECTIVES

The Group's operating, investing and financing activities expose the Group to foreign exchange risk, interest rate risk, credit risk, and liquidity risk. The Group's overall risk management programme is to focus on minimising the potential adverse effects on the Group's financial performance.

The Company's operating, investing and financing activities expose the Company to interest rate risk, credit risk, and liquidity risk. The Company's overall risk management programme is to focus on minimising the potential adverse effects on the Company's financial performance.

#### (a) Market risk

##### (i) Foreign currency risk management

The Group is exposed to foreign exchange risk primarily arising from US Dollar (USD).

During the year, there is no formal hedging policy with respect to foreign exchange risk exposure. The Group monitors its foreign exchange risk exposure on an on-going basis and endeavour to keep the net exposure at an acceptable level.

If the Ringgit Malaysia strengthened by 5% against the following currencies, this will result in a further (decrease)/increase in the Group's profit and equity. This sensitivity analysis assumes that all other variables are held constant.

	GROUP			
	USD 2013 RM	SGD 2013 RM	USD 2012 RM	SGD 2012 RM
Profit and equity	(58,117)	16,798	(56,188)	12,548
	(i)	(ii)	(i)	(ii)

If the Ringgit Malaysia weakened by 5% against the following currencies, this will result in a further increase/(decrease) in the Group's profit and equity. This sensitivity analysis assumes that all other variables are held constant.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) for the year ended 31 March 2013

### 3. FINANCIAL RISK MANAGEMENT OBJECTIVES (CONT'D)

#### (a) Market risk (cont'd)

##### (i) Foreign currency risk management (cont'd)

	GROUP			
	USD 2013 RM	SGD 2013 RM	USD 2012 RM	SGD 2012 RM
Profit and equity	(58,117)	16,798	(56,188)	12,548
	(i)	(ii)	(i)	(ii)

(i) This is mainly attributable to the foreign exchange exposure of outstanding USD denominated receivables at the end of the reporting period.

(ii) This is mainly attributable to the foreign exchange exposure of outstanding SGD denominated payables at the end of the reporting period.

##### (ii) Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their borrowings and deposits with licensed banks.

The Group's and the Company's interest rate risk management objective is to manage the interest expenses consistent with maintaining an acceptance level of exposure to interest rate fluctuations.

At the reporting date, if interest rates are 50 basis points higher, profit and equity of the Group's and Company's will further decrease by RM126,157 (2012: RM61,353). However, if interest rates are 50 basis points lower, profit and equity of the Group's and Company's will further increase by RM126,157 (2012: RM61,353).

This sensitivity analysis assumes that all other variables are held constant and the interest rates are computed on all Group's and Company's borrowings as at the end of the reporting period.

#### (b) Credit risk management

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions.

For banks and financial institutions, only major banks are accepted. For customer, credit control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual credit limits are set and approved by authorised personnel and credit limits are regularly monitored.

At the reporting date, the Group and the Company have no significant concentration of credit risk for current and prior years.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) for the year ended 31 March 2013

### 3. FINANCIAL RISK MANAGEMENT OBJECTIVES (CONT'D)

#### (c) Liquidity risk management

The Group and the Company adopt a prudent liquidity risk management to manage their exposure to liquidity risk. i.e. a balance between continuity of funding and flexibility through the use of available credit facilities granted by various banks.

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from their various payables, loans and borrowings.

The Group and the Company monitor and maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that they will have sufficient liquidity to meet their liabilities when they fall due.

The table below analyses the Group's and the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date.

	Within 1 year RM	2 to 5 years RM	Total RM
<b>GROUP</b>			
<b>As at 31 March 2013</b>			
<b>Non-derivative financial liabilities</b>			
Trade and other payables	4,244,232	-	4,244,232
Short term borrowings	3,664,053	-	3,664,053
Term loan	3,492,360	4,815,685	8,308,045
Hire purchase payables	188,501	331,410	519,911
Guarantees	588,650	-	588,650

**GROUP**  
**As at 31 March 2012**  
**Non-derivative financial liabilities**

Trade and other payables	4,146,229	-	4,146,229
Short term borrowings	4,793,630	-	4,793,630
Term loan	3,834,185	8,308,045	12,142,230
Hire purchase payables	103,865	12,485	116,350
Guarantees	480,900	-	480,900

	Within 1 year RM	2 to 5 years RM	Total RM
<b>COMPANY</b>			
<b>As at 31 March 2013</b>			
<b>Non-derivative financial liabilities</b>			
Trade and other payables	25,217,056	-	25,217,056
Short term borrowings	3,075,053	-	3,075,053
Term loan	3,492,360	4,815,685	8,308,045
Hire purchase payable	69,216	102,596	171,812
Guarantee	1,237,650	-	1,237,650

**As at 31 March 2012**  
**Non-derivative financial liabilities**

Trade and other payables	23,509,439	-	23,509,439
Short term borrowings	4,508,630	-	4,508,630
Term loan	3,834,185	8,308,045	12,142,230
Guarantee	825,900	-	825,900

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### for the year ended 31 March 2013

#### 4. CAPITAL RISK MANAGEMENT

The Group and the Company manage their capital to ensure that the Group and the Company will be able to continue as going concerns in order to provide return to shareholders and to maintain optimal capital structure to reduce the cost of capital.

In order to maintain capital structure, the Group and the Company may adjust the amount of dividend paid or issue new shares.

Ordinary share capital and retained earnings are considered as Capital of the Group and the Company.

The Group and the Company are not subject to any externally imposed capital requirements.

#### 5. FINANCIAL INSTRUMENTS BY CATEGORIES AND ITS FAIR VALUE ESTIMATION

	As at 31/3/2013 RM	As at 31/3/2012 RM	As at 1/4/2011 RM
<b>GROUP</b>			
<b>Financial assets</b>			
Loans and receivables			
- Trade and other receivables excluding prepayments	11,926,234	11,790,911	11,218,329
- Cash and bank balances	8,910,438	9,297,946	9,193,858
<b>Financial liabilities</b>			
Other financial liabilities			
- Trade and other payables	4,244,232	4,146,229	4,192,351
- Short term borrowings	6,664,053	7,793,630	4,796,493
- Long term borrowings	4,460,000	7,460,000	10,460,000
	<b>As at 31/3/2013 RM</b>	<b>As at 31/3/2012 RM</b>	<b>As at 1/4/2011 RM</b>
<b>COMPANY</b>			
<b>Financial assets</b>			
Loans and receivables			
- Trade and other receivables excluding prepayments	2,478,391	2,901,736	3,056,545
- Cash and bank balances	599,988	465,328	364,868
<b>Financial liabilities</b>			
Other financial liabilities			
- Trade and other payables	25,217,056	23,509,439	25,539,189
- Short term borrowings	6,075,053	7,508,630	4,340,493
- Long term borrowings	4,460,000	7,460,000	10,460,000

Financial assets and financial liabilities are not carried at fair value but their carrying amounts are reasonable approximation of their fair value due to their short term nature or that they are floating rate instruments that are repriced to market interest rates on or near the reporting date.

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**for the year ended 31 March 2013**

**6. REVENUE**

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Revenue comprises:				
Invoiced value of goods sold net of returns and discounts	51,373,620	54,722,371	14,764,865	16,006,993
Gross dividend income from subsidiary companies	-	-	1,372,800	1,250,400
Interest income from fixed deposit	123	-	-	-
	51,373,743	54,722,371	16,137,665	17,257,393

**7. PROFIT BEFORE TAXATION**

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
<b>Profit before taxation is stated after charging and (crediting):</b>				
Loans and receivables – allowance for impairment of receivables	-	10,440	-	10,440
Auditors' remunerations:				
Company's auditors	79,400	77,300	41,500	41,000
other auditors	18,000	18,250	-	-
Bad debts recovered	(3,380)	-	-	-
Cost of inventories charged to expenses	42,091,292	44,205,305	10,630,173	11,340,313
Depreciation	2,053,328	2,023,243	401,657	368,568
Directors' remuneration:				
fees	102,000	102,000	84,000	84,000
other emoluments*	519,384	523,452	519,384	523,452
benefit in kind	23,950	-	-	-
Interest expenses:				
documentary credit	-	35,486	-	-
hire purchase	22,293	21,212	5,310	-
bank overdrafts	97,655	79,608	97,655	79,608
term loan	689,082	860,173	689,082	860,173
bankers' acceptances	176,319	116,645	48,450	12,852
Inventories written off	97,349	79,917	59,818	23,700
Property, plant and equipment written off	147	2,743	147	-
Staff costs*	11,255,656	11,562,014	4,077,162	4,475,495
Operating lease expenses:				
rental of premises/hostel**/+	71,690	48,000	23,290	23,040
rental of office equipment**/+	18,690	44,940	10,920	10,920
rental of machinery+	672,470	603,164	672,470	603,164
Loans and receivables – allowance for impairment of receivables no longer required	(300)	(600)	-	-
(Gain)/loss on disposal of property, plant and equipment	(25,000)	(3,856)	(11,000)	1,144
Loans and receivables - interest income from fixed deposits	(66,354)	(65,407)	(1,078)	(1,389)
Realised loss on foreign exchange	22,600	19,908	-	3,667
Unrealised gain on foreign exchange	(6,043)	(9,806)	-	-
Operating lease rental income from buildings#	(97,272)	(97,272)	-	-



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) for the year ended 31 March 2013

### 7. PROFIT BEFORE TAXATION (CONT'D)

\* Included in staff costs and directors' other emoluments of the Group and of the Company are amounts of RM1,107,536 and RM503,341 (2012: RM1,053,813 and RM520,337) respectively contributed to the Employees Provident Fund.

\*\* Included in these operating lease expenses are cancellable operating leases where the Group and the Company need to give up to 3 months' termination notice for these agreements.

+ Included in these operating lease expenses are non-cancellable operating leases and the lease commitments are disclosed in note 25 (i).

# This is a non-cancellable operating lease where the lease commitment has been disclosed in note 25 (ii).

### 8. TAXATION

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
(a) Current Malaysian taxation	396,572	396,687	582,000	553,000
Deferred taxation (Note 19)	368,013	346,899	(48,000)	(9,028)
	764,585	743,586	534,000	543,972
Underprovision of taxation in prior year	922	115,115	345	29,161
	765,507	858,701	534,345	573,133

(b) Reconciliation of tax expense and accounting profit:

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Accounting profit	2,219,019	3,541,852	1,974,142	2,140,540
Tax at the applicable tax rate	556,421	689,030	493,535	535,135
Tax effect of expenses that are not deductible in determining taxable profit	214,338	215,203	46,701	54,228
Tax effect of income that are not included in determining taxable profit	-	(62,625)	-	(63,000)
Double deduction of expenses	(103)	(574)	-	-
Reinvestment allowances claimed during the year	(230,142)	-	-	-
Under/(over)provision of deferred tax liabilities in prior year	247,299	(74,220)	16,485	40,330
Realisation on revaluation of leasehold land and building	(23,228)	(23,228)	(22,721)	(22,721)
Current tax expense	764,585	743,586	534,000	543,972

The current corporate tax rate is 25% of chargeable income (2012: 25%). Consequently deferred tax liabilities and assets in note 19 are measured using this rate.



**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
for the year ended 31 March 2013

**8. TAXATION (CONT'D)**

- (c) In accordance with the Finance Act 2007, tax on a company's profit is a final tax and dividends distributed to shareholders will be exempted from tax ("single tier system"). However there is a transitional period of six years, expiring on 31 December 2013, to allow companies to pay franked dividends to their shareholders under limited circumstances. Companies with tax credit under Section 108 of the Income Tax Act, 1967 are also given an irrevocable option to elect for the single tier system.

The Company did not exercise the option to elect for the single tier tax system. The Company has sufficient tax credits under Section 108 of the Income Tax Act, 1967 to frank the payment of cash dividends out of all its retained profits as at year-end.

- (d) The Company has tax exempt income of approximately RM11,286,000 available for distribution by way of tax exempt dividends.

**9. EARNINGS PER SHARE**

**a) Basic earnings per share**

The basic earnings per share is calculated based on the consolidated profit for the year attributable to owners of the parent of RM1,396,169 (2012: RM2,616,664) and the weighted average of 41,000,000 (2012: 41,000,000) ordinary shares issued and paid up during the financial year.

**b) Diluted earnings per share**

The fully diluted earnings per share is calculated based on the consolidated profit for the year attributable to owners of the parent of RM1,396,169 (2012: RM2,616,664) and the weighted average of 41,000,000 (2012: 41,000,000) ordinary shares issued and paid up during the financial year.

**10. PROPERTY, PLANT AND EQUIPMENT**

	Long term leasehold lands and buildings RM	Short term leasehold lands and buildings RM	Capital work-in- progress RM	Motor vehicles RM	Furniture, fittings, equipment and renovations RM	Plant and machinery RM	Total RM
<b>GROUP 2013 At cost</b>							
At 1 April 2012	29,000,000	4,350,000	1,534,283	698,777	4,757,094	44,830,814	85,170,968
Additions	-	-	-	570,710	124,870	361,089	1,056,669
Disposals	-	-	-	(73,899)	-	(33,500)	(107,399)
Written off	-	-	-	-	(71,042)	(30,474)	(101,516)
Transfer (to)/from	-	-	(1,534,283)	-	-	1,534,283	-
At 31 March 2013	29,000,000	4,350,000	-	1,195,588	4,810,922	46,662,212	86,018,722

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
for the year ended 31 March 2013

**10. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

	Long term leasehold lands and buildings RM	Short term leasehold lands and buildings RM	Capital work-in- progress RM	Motor vehicles RM	Furniture, fittings, equipment and renovations RM	Plant and machinery RM	Total RM
<b>GROUP 2013 (CONT'D)</b>							
<b>Accumulated depreciation</b>							
At 1 April 2012	1,350,311	996,533	-	698,777	3,326,648	41,187,866	47,560,135
Charge for the year	337,212	251,797	-	114,142	340,739	1,009,438	2,053,328
Disposals	-	-	-	(73,899)	-	(33,500)	(107,399)
Written off	-	-	-	-	(70,895)	(30,474)	(101,369)
At 31 March 2013	1,687,523	1,248,330	-	739,020	3,596,492	42,133,330	49,404,695
<b>Net book value</b>							
At 31 March 2013	27,312,477	3,101,670	-	456,568	1,214,430	4,528,882	36,614,027

	Long term leasehold lands and buildings RM	Short term leasehold lands and buildings RM	Capital work-in- progress RM	Motor vehicles RM	Furniture, fittings, equipment and renovations RM	Plant and machinery RM	Total RM
<b>GROUP 2012 At cost</b>							
At 1 April 2011	29,000,000	4,350,000	-	698,777	4,308,518	44,741,526	83,098,821
Additions	-	-	1,534,283	-	457,697	126,398	2,118,378
Disposals	-	-	-	-	(2,740)	(37,110)	(39,850)
Written off	-	-	-	-	(6,381)	-	(6,381)
At 31 March 2012	29,000,000	4,350,000	1,534,283	698,777	4,757,094	44,830,814	85,170,968
<b>Accumulated depreciation</b>							
At 1 April 2011	1,006,351	735,000	-	698,777	2,999,622	40,138,986	45,578,736
Charge for the year	343,960	261,533	-	-	331,760	1,085,990	2,023,243
Disposals	-	-	-	-	(1,096)	(37,110)	(38,206)
Written off	-	-	-	-	(3,638)	-	(3,638)
At 31 March 2012	1,350,311	996,533	-	698,777	3,326,648	41,187,866	47,560,135
<b>Net book value</b>							
At 1 April 2011	27,993,649	3,615,000	-	-	1,308,896	4,602,540	37,520,085
At 31 March 2012	27,649,689	3,353,467	1,534,283	-	1,430,446	3,642,948	37,610,833

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
for the year ended 31 March 2013

10. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Long term leasehold land and building RM	Plant and machinery RM	Furniture, fittings, equipment and renovations RM	Motor vehicles RM	Total RM
<b>COMPANY</b>					
<b>2013</b>					
<b>At cost</b>					
At 1 April 2012	9,000,000	20,522,421	1,943,112	371,107	31,836,640
Additions	-	230,549	51,058	79,110	360,717
Written off	-	-	(71,042)	-	(71,042)
Disposal	-	-	-	(73,899)	(73,899)
At 31 March 2013	9,000,000	20,752,970	1,923,128	376,318	32,052,416
<b>Accumulated depreciation</b>					
At 1 April 2012	418,405	19,914,456	1,498,414	371,107	22,202,382
Charge for the year	104,654	156,747	124,434	15,822	401,657
Written off	-	-	(70,895)	-	(70,895)
Disposal	-	-	-	(73,899)	(73,899)
At 31 March 2013	523,059	20,071,203	1,551,953	313,030	22,459,245
<b>Net book value</b>					
At 31 March 2013	8,476,941	681,767	371,175	63,288	9,593,171

	Long term leasehold land and building RM	Plant and machinery RM	Furniture, fittings, equipment and renovations RM	Motor vehicles RM	Total RM
<b>COMPANY</b>					
<b>2012</b>					
<b>At cost</b>					
At 1 April 2011	9,000,000	20,492,922	1,855,978	371,107	31,720,007
Additions	-	29,499	89,874	-	119,373
Disposal	-	-	(2,740)	-	(2,740)
At 31 March 2012	9,000,000	20,522,421	1,943,112	371,107	31,836,640
<b>Accumulated depreciation</b>					
At 1 April 2011	313,764	19,775,000	1,375,039	371,107	21,834,910
Charge for the year	104,641	139,456	124,471	-	368,568
Disposal	-	-	(1,096)	-	(1,096)
At 31 March 2012	418,405	19,914,456	1,498,414	371,107	22,202,382
<b>Net book value</b>					
At 1 April 2011	8,686,236	717,922	480,939	-	9,885,097
At 31 March 2012	8,581,595	607,965	444,698	-	9,634,258

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
for the year ended 31 March 2013

**10. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

	GROUP Net book value			COMPANY Net book value		
	As at 31/3/2013 RM	As at 31/3/2012 RM	As at 1/4/2011 RM	As at 31/3/2013 RM	As at 31/3/2012 RM	As at 1/4/2011 RM
	Certain property, plant and equipment have been pledged with the licensed banks for facilities granted as disclosed in Note 18, 21 and 24	21,023,771	21,438,682	30,555,046	-	-
Property, plant and equipment acquired under hire purchase contracts	726,946	526,408	741,000	174,288	-	-

**11. SUBSIDIARY COMPANIES**

	As at 31/3/2013 RM	COMPANY As at 31/3/2012 RM	As at 1/4/2011 RM
Shares in unquoted corporations at cost	84,439,968	84,439,968	84,439,968

The subsidiary companies which were incorporated in Malaysia are :

Name of company	Principal activities	Group's effective equity interest	
		2013	2012
Compu-Aids (M) Sdn. Bhd.	Dormant company.	100%	100%
*CFM Toppan Forms (M) Sdn. Bhd.	Manufacturing of forms and provision of data or information management, digital printing, enveloping or sealing forms and mailing services.	56%	56%
CFM Printing & Stationery Sdn. Bhd.	Printing and supplying of exercise books and magazines.	100%	100%
Contipak Noron Sendirian Berhad	Printing and supplying of flexible packaging.	100%	100%
Chip Seng Trading (Holdings) Sdn. Bhd. and its subsidiary Companies:	Investment holding company.	100%	100%
Aktif Samudera Sdn. Bhd.	Investment holding company.	100%	100%
Malaysia Machinery Manufacturers Sdn. Bhd.	Dormant company.	100%	100%
CFM Magnetic Ticket Sdn. Bhd.	Dormant company.	100%	100%

\* - Not audited by Messrs Paul Chuah & Co. PLT

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) for the year ended 31 March 2013

### 12. GOODWILL ON CONSOLIDATION

	GROUP	
	2013 RM	2012 RM
At 1 April and 31 March	1,309,392	1,309,392

#### Impairment testing for goodwill on consolidation

For the purpose of impairment testing, goodwill is allocated to the Group's operating division which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

The aggregate carrying amount of goodwill is allocated to the manufacturing units in CFM Printing & Stationery Sdn. Bhd. and Contipak Noron Sdn. Bhd.

The recoverable amount for the above is determined based on value in use calculated by discounting the future cash flows expected to be generated from the continuing use of those units and is based on the following key assumptions:

- i) Cash flows are projected based on a five years business plan approved by the Board of Directors.
- ii) Revenue is projected at annual growth of 2% to 11%. (2012 and 1/4/2011: 2% to 5%)
- iii) Expenses are projected at annual increase of 1% to 5% (2012 and 1/4/2011: 1% to 5%).
- iv) A pre-tax discount rate of 6.6% (2012: 6.6%; 1/4/2011: 8.1%) which is the existing rate of borrowings of the Group.

The values assigned to the key assumptions represent management's assessment of future trends in the industry. A reasonably possible change in a key assumption does not have any significant difference to the recoverable amount.

### 13. INVENTORIES

	GROUP			COMPANY		
	As at 31/3/2013 RM	As at 31/3/2012 RM	As at 1/4/2011 RM	As at 31/3/2013 RM	As at 31/3/2012 RM	As at 1/4/2011 RM
<b>At cost</b>						
Raw materials and consumables	8,955,025	9,944,711	9,413,856	1,800,110	2,271,631	2,171,398
Raw materials-in-transit	73,880	232,675	48,295	-	102,327	-
	9,028,905	10,177,386	9,462,151	1,800,110	2,373,958	2,171,398
Work-in-progress	3,915,406	3,333,261	3,335,894	705,582	720,860	666,188
Finished goods	1,665,119	1,967,803	1,293,847	266,280	519,191	607,377
	14,609,430	15,478,450	14,091,892	2,771,972	3,614,009	3,444,963

Inventories are written down based on the experience and judgment of the management team on the basis that they reflect expected selling prices for such inventories. Obsolete inventories are written off.

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**for the year ended 31 March 2013**

**14. TRADE AND OTHER RECEIVABLES**

	GROUP			COMPANY		
	As at 31/3/2013 RM	As at 31/3/2012 RM	As at 1/4/2011 RM	As at 31/3/2013 RM	As at 31/3/2012 RM	As at 1/4/2011 RM
Trade receivables	11,712,300	11,642,453	11,245,333	2,237,110	2,393,494	2,512,162
Allowance for impairment	(315,172)	(315,472)	(305,632)	(27,600)	(27,600)	(17,160)
	<u>11,397,128</u>	<u>11,326,981</u>	<u>10,939,701</u>	<u>2,209,510</u>	<u>2,365,894</u>	<u>2,495,002</u>
Other receivables	152,893	102,007	111,905	66,502	21,278	1,380
Deposits	376,213	361,923	166,723	25,320	29,520	23,320
Prepayments	312,599	347,564	430,534	99,322	103,006	79,398
	<u>841,705</u>	<u>811,494</u>	<u>709,162</u>	<u>191,144</u>	<u>153,804</u>	<u>104,098</u>
Amounts due from subsidiary companies						
- trade account	-	-	-	97,783	140,696	182,520
- current account	-	-	-	79,276	344,348	354,323
	<u>12,238,833</u>	<u>12,138,475</u>	<u>11,648,863</u>	<u>2,577,713</u>	<u>3,004,742</u>	<u>3,135,943</u>

**Trade receivables**

Trade receivables and trade amounts due from subsidiary companies are non-interest bearing and are generally on 30 to 90 days terms for current and prior years.

Trade receivables are considered as past due when the aging of their invoices exceed 90 days.

Ageing analysis of trade receivables:

	GROUP		
	As at 31/3/2013 RM	As at 31/3/2012 RM	As at 1/4/2011 RM
Neither past due nor impaired	8,741,787	8,767,585	8,593,655
1 to 30 days past due not impaired	1,538,917	1,801,059	539,100
31 to 60 days past due not impaired	540,572	429,656	837,432
61 to 90 days past due not impaired	390,577	145,791	148,584
More than 90 days past due not impaired	<u>185,275</u>	<u>182,890</u>	<u>820,930</u>
	11,397,128	11,326,981	10,939,701
Impaired	<u>315,172</u>	<u>315,472</u>	<u>305,632</u>
	<u>11,712,300</u>	<u>11,642,453</u>	<u>11,245,333</u>



**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**for the year ended 31 March 2013**

**14. TRADE AND OTHER RECEIVABLES (CONT'D)**

Ageing analysis of trade receivables:

	<b>COMPANY</b>		
	<b>As at 31/3/2012 RM</b>	<b>As at 31/3/2013 RM</b>	<b>As at 1/4/2011 RM</b>
Neither past due nor impaired	1,911,313	1,948,256	2,288,254
1 to 30 days past due not impaired	89,151	235,395	38,929
31 to 60 days past due not impaired	42,217	84,137	55,256
61 to 90 days past due not impaired	29,088	10,579	21,738
More than 90 days past due not impaired	137,741	87,527	90,825
	<u>2,209,510</u>	<u>2,365,894</u>	<u>2,495,002</u>
Impaired	27,600	27,600	17,160
	<u>2,237,110</u>	<u>2,393,494</u>	<u>2,512,162</u>

Ageing analysis of trade amounts due from subsidiary company:

	<b>COMPANY</b>		
	<b>As at 31/3/2013 RM</b>	<b>As at 31/3/2012 RM</b>	<b>As at 1/4/2011 RM</b>
Neither past due nor impaired	97,783	84,696	182,520
1 to 30 days past due not impaired	-	-	-
31 to 60 days past due not impaired	-	11,000	-
61 to 90 days past due not impaired	-	45,000	-
	<u>97,783</u>	<u>140,696</u>	<u>182,520</u>

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group and the Company and losses have occurred infrequently.

The Group's and the Company's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	<b>Individually impaired GROUP</b>			<b>Individually impaired COMPANY</b>		
	<b>As at 31/3/2013 RM</b>	<b>As at 31/3/2012 RM</b>	<b>As at 1/4/2011 RM</b>	<b>As at 31/3/2013 RM</b>	<b>As at 31/3/2012 RM</b>	<b>As at 1/4/2011 RM</b>
<b>At cost</b>						
Trade receivables						
- nominal amounts	315,172	315,472	305,632	27,600	27,600	17,160
Allowance for impairment	(315,172)	(315,472)	(305,632)	(27,600)	(27,600)	(17,160)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) for the year ended 31 March 2013

### 14. TRADE AND OTHER RECEIVABLES (CONT'D)

Movement in allowance for impairment:

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
<b>At cost</b>				
At 1 April	315,472	305,632	27,600	17,160
Charge for the year	-	10,440	-	10,440
Reversal of impairment	(300)	(600)	-	-
At 31 March	315,172	315,472	27,600	27,600

Trade receivables that are individually impaired at the reporting date relate to those that are in significant financial difficulties and have defaulted on payments.

The currency exposure profile of trade receivables is as follows:

	GROUP RM	COMPANY RM
<b><u>As at 31/3/2013</u></b>		
Ringgit Malaysia	10,549,960	2,237,110
US Dollar	1,162,340	-
	11,712,300	2,237,110
<b><u>As at 31/3/2012</u></b>		
Ringgit Malaysia	10,424,176	2,393,494
US Dollar	1,218,277	-
	11,642,453	2,393,494
<b><u>As at 1/4/2011</u></b>		
Ringgit Malaysia	10,399,214	2,512,162
US Dollar	846,119	-
	11,245,333	2,512,162

Other receivables are non-interest bearing and range from repayable upon demand or on 30 days terms. (2012: Ranges from repayable upon demand or on 30 to 90 days terms; 1/4/2011: On 30 days terms).

Ageing analysis of other receivables:

	GROUP			COMPANY		
	As at 31/3/2013 RM	As at 31/3/2012 RM	As at 1/4/2011 RM	As at 31/3/2013 RM	As at 31/3/2012 RM	As at 1/4/2011 RM
Neither past due nor impaired	101,470	41,747	52,457	66,502	21,278	1,380
1 to 30 days past due not impaired	10,775	10,071	9,595	-	-	-
31 to 60 days past due not impaired	10,258	9,471	9,743	-	-	-
61 to 90 days past due not impaired	10,240	10,119	10,084	-	-	-
More than 90 days past due not impaired	20,150	30,599	30,026	-	-	-
	152,893	102,007	111,905	66,502	21,278	1,380

As at 31 March 2013 and in prior years, no deposits were past due nor impaired.

Current amounts due from subsidiary companies are non-interest bearing and repayable upon demand. No amounts due from subsidiary companies were past due nor impaired.

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**for the year ended 31 March 2013**

**15. CASH AND BANK BALANCES**

	GROUP			COMPANY		
	As at 31/3/2013 RM	As at 31/3/2012 RM	As at 1/4/2011 RM	As at 31/3/2013 RM	As at 31/3/2012 RM	As at 1/4/2011 RM
Cash in hand	16,000	12,869	9,002	5,000	4,000	4,000
Bank balances	5,071,390	6,262,734	5,163,119	571,940	438,985	339,131
Fixed deposits with licensed banks	3,823,048	3,022,343	4,021,737	23,048	22,343	21,737
<b>Cash and bank balances</b>	<b>8,910,438</b>	<b>9,297,946</b>	<b>9,193,858</b>	<b>599,988</b>	<b>465,328</b>	<b>364,868</b>

The Group's and Company's fixed deposit amounting to RM23,048 (2012: RM22,343 and 1/4/2011: RM21,737) is pledged with a licensed bank to secure bank guarantees given to third party as disclosed in note 24.

The currency exposure profile of cash and bank balances is as follows:

	GROUP			COMPANY		
	As at 31/3/2013 RM	As at 31/3/2012 RM	As at 1/4/2011 RM	As at 31/3/2013 RM	As at 31/3/2012 RM	As at 1/4/2011 RM
Ringgit Malaysia	8,898,074	9,176,560	9,191,945	599,988	465,328	364,868
US Dollar	12,364	121,386	1,913	-	-	-
	<b>8,910,438</b>	<b>9,297,946</b>	<b>9,193,858</b>	<b>599,988</b>	<b>465,328</b>	<b>364,868</b>

Deposits are neither past due nor impaired and are placed with or entered into with reputable licensed banks.

Fixed deposits are made for periods of one to twelve months for the Group and twelve months for the Company and earn interests at respective short term deposit rates. The weighted average effective interest rates as at 31 March 2013 is 2.30% to 3.15% (2012: 3.15% to 3.22%; 1/4/2011: 2.78% to 2.88%).

**16. SHARE CAPITAL**

	GROUP AND COMPANY		
	As at 31/3/2013 RM	As at 31/3/2012 RM	As at 1/4/2011 RM
<b>Ordinary shares of RM1 each</b>			
Authorised	100,000,000	100,000,000	100,000,000
Issued and fully paid up	41,000,000	41,000,000	41,000,000

The holders of ordinary shares are entitled to receive dividend as and when declared by the Company. All ordinary shares carry one vote each without restrictions and rank equally with regard to the distribution of the Company's residual assets.

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
for the year ended 31 March 2013

**17. HIRE PURCHASE PAYABLES**

	GROUP			COMPANY		
	As at 31/3/2013 RM	As at 31/3/2012 RM	As at 1/4/2011 RM	As at 31/3/2013 RM	As at 31/3/2012 RM	As at 1/4/2011 RM
Minimum lease payments:						
Within one year	188,501	103,865	493,636	69,216	-	-
Two to five years	331,410	12,485	116,350	102,596	-	-
	519,911	116,350	609,986	171,812	-	-
Less: Future finance charges	(38,688)	(3,274)	(24,483)	(12,289)	-	-
Present value	481,223	113,076	585,503	159,523	-	-
Repayments due:						
Within one year	167,717	100,764	472,425	61,490	-	-
Two to five years	313,506	12,312	113,078	98,033	-	-
	481,223	113,076	585,503	159,523	-	-
Effective interest rate	3.46% - 4.78%	3.34% - 4.78%	3.34%	3.46% - 4.06%	-	-

**18. TERM LOAN**

	GROUP AND COMPANY		
	As at 31/3/2013 RM	As at 31/3/2012 RM	As at 1/4/2011 RM
<b>Secured</b>			
Term loan	7,460,000	10,460,000	12,460,000
Repayments due:			
Within one year (Note 21)	3,000,000	3,000,000	2,000,000
Two to five years (Note 21)	4,460,000	7,460,000	10,460,000
	7,460,000	10,460,000	12,460,000

The term loan is secured by:

- i) third party charge over the leasehold properties of a subsidiary company;
- ii) letter of undertaking from the Company;
- iii) a negative pledge against the assets of the Company; and
- iv) deposit of all the shares of a subsidiary company.

The repayment terms of the loan were revised during the year ended 31 March 2012 to 6 yearly payments within the range of RM2,000,000 to RM4,460,000 per installment.

Interest is charged at bank's base lending rate for current and prior years (2011: 1.5% per annum above bank base lending rate).

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**for the year ended 31 March 2013**

**19. DEFERRED TAXATION**

**(i) Deferred tax liabilities**

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
At 1 April	2,892,559	2,501,972	2,210,000	2,219,028
Deferred tax expense arising from and reversal of temporary differences	77,026	464,807	(64,485)	(49,358)
Under/(over) provision of deferred tax liabilities in prior year	247,299	(74,220)	16,485	40,330
Transferred from/(to) income statement (Note 8)	324,325	390,587	(48,000)	(9,028)
At 31 March	3,216,884	2,892,559	2,162,000	2,210,000

**(ii) Deferred tax assets**

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
At 1 April	(43,688)	-	-	-
Deferred tax expense arising from and reversal of temporary differences	43,688	(43,688)	-	-
Transferred from/(to) income statement (Note 8)	43,688	(43,688)	-	-
At 31 March	-	(43,688)	-	-

The components of deferred tax liabilities and assets that are recognised during the financial year are as follows:

	GROUP			COMPANY		
	As at 31/3/2013 RM	As at 31/3/2012 RM	As at 1/4/2011 RM	As at 31/3/2013 RM	As at 31/3/2012 RM	As at 1/4/2011 RM
Deferred tax liabilities:						
- Capital allowances in excess of depreciation	1,716,941	1,371,536	1,211,692	344,341	369,620	355,927
- Revaluation surplus of leasehold building	1,858,720	1,881,948	1,905,176	1,817,659	1,840,380	1,863,101
- Others	-	4,300	18,946	-	-	-
- Unrealised gain on foreign exchange	1,853	-	-	-	-	-
Deferred tax assets:						
- Unused tax losses	(360,289)	(9,216)	(76,340)	-	-	-
- Reinvestment allowances	-	(399,697)	(556,318)	-	-	-
- Unrealised loss on foreign exchange	(341)	-	(1,184)	-	-	-
	3,216,884	2,848,871	2,501,972	2,162,000	2,210,000	2,219,028

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**for the year ended 31 March 2013**

**19. DEFERRED TAXATION (CONT'D)**

**(ii) Deferred tax assets (cont'd)**

The amount of deferred tax assets that is not recognised in the balance sheet is as follows:

	As at 31/3/2013 RM	GROUP As at 31/3/2012 RM	As at 1/4/2011 RM
Unused tax losses	54,961	54,961	54,961

**20. TRADE AND OTHER PAYABLES**

	As at 31/3/2013 RM	GROUP As at 31/3/2012 RM	As at 1/4/2011 RM	As at 31/3/2013 RM	COMPANY As at 31/3/2012 RM	As at 1/4/2011 RM
Trade payables	2,625,114	2,524,269	2,272,417	289,117	221,386	287,395
Other payables and accruals	1,619,118	1,621,960	1,919,934	445,686	464,988	589,298
Amounts due to subsidiary companies						
- trading account	-	-	-	1,202,942	942,149	653,582
- current account	-	-	-	23,279,311	21,880,916	24,008,914
	<u>4,244,232</u>	<u>4,146,229</u>	<u>4,192,351</u>	<u>25,217,056</u>	<u>23,509,439</u>	<u>25,539,189</u>

The currency exposure profile is as follows:

	GROUP Trade payables RM	COMPANY Trade payables RM	Amount due to subsidiary companies – trading account RM
<b><u>As at 31/3/2013</u></b>			
Ringgit Malaysia	2,298,359	289,117	1,202,942
Singapore Dollar	68,042	-	-
US Dollar	258,713	-	-
	<u>2,625,114</u>	<u>289,117</u>	<u>1,202,942</u>
<b><u>As at 31/3/2012</u></b>			
Ringgit Malaysia	2,241,700	221,386	942,149
Singapore Dollar	66,675	-	-
US Dollar	215,894	-	-
	<u>2,524,269</u>	<u>221,386</u>	<u>942,149</u>
<b><u>As at 1/4/2011</u></b>			
Ringgit Malaysia	2,097,144	183,095	635,582
Singapore Dollar	152,604	104,300	-
US Dollar	22,669	-	-
	<u>2,272,417</u>	<u>287,395</u>	<u>635,582</u>

Trade payables, other payables and trade amounts due to subsidiary companies are non-interest bearing and are normally settled on 30 to 120 days terms for current and prior years.



**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**for the year ended 31 March 2013**

**20. TRADE AND OTHER PAYABLES (CONT'D)**

The currency exposure profile of other payables and accruals is as follows:

	GROUP			COMPANY		
	As at 31/3/2013 RM	As at 31/3/2012 RM	As at 1/4/2011 RM	As at 31/3/2013 RM	As at 31/3/2012 RM	As at 1/4/2011 RM
Ringgit Malaysia	1,351,186	1,621,960	1,556,171	445,686	464,998	550,535
Singapore Dollar	267,932	-	325,000	-	-	-
US Dollar	-	-	38,763	-	-	38,763
	<u>1,619,118</u>	<u>1,621,960</u>	<u>1,919,934</u>	<u>445,686</u>	<u>464,998</u>	<u>589,298</u>

Current amounts due to subsidiary companies are non-interest bearing and repayable upon demand.

**21. BORROWINGS**

**SHORT TERM BORROWINGS**

	GROUP			COMPANY		
	As at 31/3/2013 RM	As at 31/3/2012 RM	As at 1/4/2011 RM	As at 31/3/2013 RM	As at 31/3/2012 RM	As at 1/4/2011 RM
Bank overdraft	1,543,053	1,810,630	781,493	1,543,053	1,810,630	781,493
Term loan (Note 18)	3,000,000	3,000,000	2,000,000	3,000,000	3,000,000	2,000,000
Bankers' acceptances	2,121,000	2,983,000	2,015,000	1,532,000	2,698,000	1,559,000
	<u>6,664,053</u>	<u>7,793,630</u>	<u>4,796,493</u>	<u>6,075,053</u>	<u>7,508,630</u>	<u>4,340,493</u>

**LONG TERM BORROWINGS**

	GROUP			COMPANY		
	As at 31/3/2013 RM	As at 31/3/2012 RM	As at 1/4/2011 RM	As at 31/3/2013 RM	As at 31/3/2012 RM	As at 1/4/2011 RM
Term loan (Note 18)	4,460,000	7,460,000	10,460,000	4,460,000	7,460,000	10,460,000

The bank overdraft and bankers' acceptances are secured as follows:

- i) a negative pledge against the assets of the Company;
- ii) a fixed and floating charge over certain subsidiary companies' assets;
- iii) a deed of assignment and fixed charge over certain subsidiary companies' leasehold properties;
- iv) all monies debenture over certain subsidiary companies' fixed and floating assets;
- v) letter of undertaking from the Company; and
- vi) corporate guarantee from the Company.

Interests are charged at between 0.75% to 1.50% for current and prior year (1/4/2011: 1% to 1.50%) per annum above banks' base lending rate.

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**for the year ended 31 March 2013**

**22. SIGNIFICANT RELATED PARTY TRANSACTIONS**

	<b>COMPANY</b>	
	<b>2013</b>	<b>2012</b>
	<b>RM</b>	<b>RM</b>
Subsidiary companies:		
Sales of finished goods	(1,025,896)	(980,192)
Purchases of raw materials	332,489	299,748
Dividend income received	(1,372,800)	(1,250,400)
Rental of premises paid	23,040	23,040

**23. COMPENSATION OF KEY MANAGEMENT PERSONNEL**

(a) The remuneration of key management personnel are as follows:

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Short term employees' benefits (including directors)	645,334	625,452	603,384	607,452

During the financial year, there were no other key management personnel apart from all the Directors having authority and responsibility for planning, directing and controlling the financial and operating policy activities of the Group and of the Company either directly or indirectly.

**24. CONTINGENT LIABILITIES**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Secured</b>				
Bank guarantees given to third parties	588,650	480,900	296,650	208,650
<b>Unsecured</b>				
Corporate guarantees given to licensed bank for facilities granted to subsidiary companies	-	-	881,000	557,250
Corporate guarantee given to subsidiary's supplier for credit limit granted to subsidiary company	-	-	60,000	60,000
	588,650	480,900	1,237,650	825,900

The bank guarantees are secured as follows:

- i) a negative pledge against the assets of the Company;
- ii) a fixed and floating charge over certain subsidiary companies' assets;
- iii) a deed of assignment and fixed charge over certain subsidiary companies' leasehold properties;
- iv) all monies debenture over certain subsidiary companies' fixed and floating assets;
- v) letter of undertaking from the Company;
- vi) corporate guarantee from the Company;
- vii) letter of undertaking to unstamp debenture from certain subsidiary companies; and
- viii) pledge of fixed deposit amounting to RM23,048 (2012: RM22,343).

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**for the year ended 31 March 2013**

**25. LEASE COMMITMENTS**

- (i) The future minimum lease payments payable under non cancellable operating leases for rental of premises, machinery and office equipment are as follows:

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Within one year	638,060	621,100	618,120	606,620
Between two to five years	569,110	1,190,130	565,630	1,183,750
	<u>1,207,170</u>	<u>1,811,230</u>	<u>1,183,750</u>	<u>1,790,370</u>

- (ii) The future minimum lease payments receivable under non-cancellable operating lease for rental from premises contracted for as at balance sheet date are as follows:

	GROUP	
	2013 RM	2012 RM
Within one year	20,172	99,252
Two to five years	13,200	16,212
	<u>33,372</u>	<u>115,464</u>

**26. CAPITAL COMMITMENT**

	GROUP	
	2013 RM	2012 RM
Contracted but not provided for in the financial statements	807,170	200,000
Approved but not contracted for and not provided for in the financial statements	<u>1,772,000</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
for the year ended 31 March 2013

**27. SEGMENT REPORTING**

(a) Business Segments:

The Group comprises the following main business segments:

- (i) Business forms and data print services;
- (ii) Commercial printing; and
- (iii) Flexible packaging.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Business segments	Business Forms and Data Print Services		Commercial Printing		Flexible Packaging		Adjustments/eliminations		Notes		Consolidated	
	2013 RM	2012 RM	2013 RM	2012 RM	2013 RM	2012 RM	2013 RM	2012 RM	2013 RM	2012 RM	2013 RM	2012 RM
Revenue: External customers	19,946,652	20,943,158	13,521,414	14,662,903	17,905,554	19,116,310	123	-	A	51,373,743	54,722,371	
Inter-segment	1,388,016	1,265,611	510,825	408,596	-	3,879	(1,898,841)	(1,678,086)	B	-	-	
Total revenue	21,334,668	22,208,769	14,032,239	15,071,499	17,905,554	19,120,189	(1,898,718)	(1,678,086)		51,373,743	54,722,371	

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
for the year ended 31 March 2013

**27. SEGMENT REPORTING (CONT'D)**

Results	Business Forms and Data Print Services		Commercial Printing		Flexible Packaging		Adjustments/ eliminations		Notes		Consolidated	
	2013 RM	2012 RM	2013 RM	2012 RM	2013 RM	2012 RM	2013 RM	2012 RM		2013 RM	2012 RM	
Interest income	(1,078)	(1,389)	(64,641)	(64,018)	-	-	(635)	-	C	(66,354)	(65,407)	
Interest expense	841,422	969,182	141,969	134,263	1,958	9,679	-	-		985,349	1,113,124	
Depreciation	728,115	938,786	547,597	321,478	777,616	762,979	-	-		2,053,328	2,023,243	
Material non-cash expenses/(income)	59,818	34,140	25,872	(600)	11,359	56,217	-	-	D	97,049	89,757	
Tax expense	665,398	521,232	(120,719)	311,113	460,000	431,361	(239,172)	(405,005)		765,507	858,701	
Segment profit	1,570,122	1,718,513	514,060	782,059	521,567	1,047,339	(1,152,237)	(864,760)	E	1,453,512	2,683,151	
Total assets	105,130,932	106,175,020	26,631,328	27,339,823	31,479,239	33,390,330	(88,658,807)	(90,436,891)	F	74,582,692	76,468,282	
<b>Assets</b>												
Additions to non-current assets												
- property, plant and equipment	404,430	130,457	535,809	1,656,276	116,430	331,645	-	-		1,056,669	2,118,378	

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) for the year ended 31 March 2013

### 27. SEGMENT REPORTING (CONT'D))

Notes to the nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements:

- A) Represents revenue of non-reportable segment.
- B) Inter-segment revenues are eliminated on consolidation.
- C) Represents interest income of non-reportable segment.
- D) Other material non-cash expenses/(income) consist of the following items:

	<b>GROUP</b>	
	<b>2013</b>	<b>2012</b>
	<b>RM</b>	<b>RM</b>
Allowance for impairment of receivables	-	10,440
Allowance for impairment of receivables no longer required	(300)	(600)
Inventories written off	97,349	79,917
	97,049	89,757

- E) Reconciliation of total reportable segments' profits to the Group's profit/(loss) for the year:

	<b>GROUP</b>	
	<b>2013</b>	<b>2012</b>
	<b>RM</b>	<b>RM</b>
Result of non-reportable segment	(18,609)	(19,365)
Inter-segment profit	(1,133,628)	(845,395)
	(1,152,237)	(864,760)

- F) Reconciling items of total reportable segments' to the Group's assets:

	<b>GROUP</b>	
	<b>2013</b>	<b>2012</b>
	<b>RM</b>	<b>RM</b>
Investment in subsidiaries	(83,319,968)	(83,319,968)
Non-reportable segments' total	46,901,981	48,055,903
Inter-segment balance	(52,240,820)	(55,172,826)
	88,658,807	(90,436,891)

#### Geographical information

	<b>GROUP</b>	
	<b>2013</b>	<b>2012</b>
	<b>RM</b>	<b>RM</b>
The Group's revenue from external customers by location of customers:		
Malaysia	45,586,452	47,720,073
Indonesia	5,710,583	6,898,713
Other	76,708	103,585
	51,373,743	54,722,371

The Group's non-current assets are located in Malaysia.

#### Information about major customers

Revenue from a major customer amounting to RM5,710,583 (2012: RM6,898,713) arose from the flexible packaging segment.



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) for the year ended 31 March 2013

### 28. EXPLANATION OF TRANSITION TO MFRSs

As stated in Note 1(a), these are the first financial statements of the Group and of the Company prepared in accordance with MFRSs.

The accounting policies set out in Note 2 have been applied in preparing the financial statements of the Group and of the Company for the year ended 31 March 2013, the comparative information presented in these financial statements for the year ended 31 March 2012 and in the preparation of the opening MFRS statement of financial position at 1 April 2011 (the Group's and the Company's date of transition to MFRSs).

In preparing the opening consolidated statement of financial position at 1 April 2011 and Company's statement of financial position at 1 April 2011, the Group and the Company have adjusted amounts reported previously in financial statement in accordance with previous FRSs. An explanation of how the transition from previous FRSs to MFRSs has affected the Group's and the Company's financial position are set out as follows:

MFRS 1 allows certain exemptions from retrospective application of certain requirements under MFRSs. The Group and the Company have applied the following exemptions:

- i) The Group has elected not to apply MFRS 3 retrospectively to past business combination that occurred before 1 April 2011; and
- ii) The Company elected to use the carrying amount under FRS at the date of transition as the cost of investment in subsidiary companies.

Under FRS, the Group and the Company measured its leasehold land and buildings at valuation and the surplus from revaluation is credited directly to revaluation reserve in equity. The last valuation was carried out on 31 March 2008. Upon the transition to MFRS, the Group and the Company have elected to use that previous revaluation as deemed costs. The revaluation reserve of the Group and of the Company at 1 April 2011 and 31 March 2012 was reclassified to retained earnings.

The effect of transition from FRS to MFRS on the comparative statements of financial position of the Group and the Company are as follows:

	FRS RM	Effect of transition to MFRS RM	MFRS RM
<b>GROUP</b>			
<b>Consolidated statement of financial position At 1 April 2011</b>			
<b>Equity</b>			
Revaluation reserve	4,997,306	(4,997,306)	-
Retained profits	3,901,804	4,997,306	8,899,110
<hr/>			
<b>At 31 March 2012</b>			
<b>Equity</b>			
Revaluation reserve	4,936,389	(4,936,389)	-
Retained profits	6,579,385	4,936,389	11,515,774
<hr/>			

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
for the year ended 31 March 2013

**28. EXPLANATION OF TRANSITION TO MFRSs (CONT'D)**

COMPANY	FRS RM	Effect of transition to MFRS RM	MFRS RM
<b>Statement of financial position</b>			
<b>At 1 April 2011</b>			
<b>Equity</b>			
Revaluation reserve	4,823,583	(4,823,583)	-
Retained profits	13,218,849	4,823,583	18,042,432
<hr/>			
<b>At 31 March 2012</b>			
<b>Equity</b>			
Revaluation reserve	4,764,759	(4,764,759)	-
Retained profits	14,845,080	4,764,759	19,609,839
<hr/>			

**29. SUPPLEMENTARY INFORMATION**

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Total retained profits of the company and its subsidiaries:				
Realised	80,979,466	71,246,905	23,211,636	21,819,839
Unrealised	(3,210,841)	(2,839,065)	(2,162,000)	(2,210,000)
	77,768,625	68,407,840	21,049,636	19,609,839
Less: Consolidation adjustments	(64,856,682)	(56,892,066)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total retained profits as per financial statements	12,911,943	11,515,774	21,049,636	19,609,839
	<hr/>	<hr/>	<hr/>	<hr/>

This supplementary information is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad.

# ANALYSIS OF SHAREHOLDINGS

## as at 5 August 2013

### A. SHARE CAPITAL

Authorised Share Capital : RM100,000,000.00 (100,000,000 ordinary shares of RM1.00 each)  
 Issued and Paid-up Capital : RM41,000,000.00 (41,000,000 ordinary shares of RM1.00 each)  
 Voting Rights : One vote for each ordinary share held

### B. DISTRIBUTION OF SHAREHOLDINGS

Holdings	No. of Holders	Total Holdings	% of Holdings
Less than 100	21	1,000	0.00
100 - 1,000	100	79,583	0.19
1,001 - 10,000	942	3,757,317	9.17
10,001 - 100,000	156	3,944,200	9.62
100,001 - less than 5% of issued shares	25	27,329,700	66.66
5% and above of issued shares	1	5,888,200	14.36
	<b>1,245</b>	<b>41,000,000</b>	<b>100.00</b>

### C. SUBSTANTIAL SHAREHOLDER

Name of Shareholder	Direct Interest		Deemed Interest	
	No. of Shares	% of Holdings	No. of Shares	% of Holdings
World Grain Sdn Bhd	5,888,200	14.36	-	-

### D. DIRECTOR'S INTEREST IN SHARES

None of the Directors who held office at the end of the financial year had any interest in the shares of the Company.

### E. THIRTY LARGEST REGISTERED SHAREHOLDERS

Name of Shareholders	No. of Shares	% of Holdings
1. World Grain Sdn Bhd	5,888,200	14.36
2. Chew Boon Seng	2,000,000	4.88
3. Lee Pui Inn	2,000,000	4.88
4. Ong Huey Peng	2,000,000	4.88
5. Ong Har Hong	1,998,000	4.87
6. Ong Wee Lieh	1,990,000	4.85
7. Lim Siew Sooi	1,952,100	4.76
8. Maybank Securities Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Lim Eng Huat)	1,947,400	4.75
9. Ong Poh Lin	1,945,000	4.74
10. Low Cheng Peng	1,936,400	4.72

## ANALYSIS OF SHAREHOLDINGS (CONT'D) as at 5 August 2013

### E. THIRTY LARGEST REGISTERED SHAREHOLDERS (CONT'D)

Name of Shareholders	No. of Shares	% of Holdings
11. Gan Lock Yong @ Gan Choon Hur	1,936,000	4.72
12. Neoh Poh Lan	1,907,300	4.65
13. Ong Poh Geok	1,174,000	2.86
14. Ong Wee Shyong	1,063,400	2.59
15. Chew Huat Heng	1,045,300	2.55
16. AMSEC Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Lee Choi Fok @ Lee Choon Fook)	489,000	1.19
17. Kong See Kuan	375,000	0.91
18. Khoo Seng Miao	366,700	0.89
19. Tan Siew Yeong	227,500	0.55
20. Tan Eng @ Tan Chin Eng	167,500	0.41
21. Tan Seng Teong Sdn Bhd	155,600	0.38
22. Haliza Binti Abdullah	137,500	0.34
23. TA Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Lau Ha Mooi)	136,000	0.33
24. CIMSEC Nominees (Tempatan) Sdn Bhd (CIMB Bank for Tan Hwa Imm)	130,000	0.32
25. AMSEC Nominees (Asing) Sdn Bhd (Amfraser Securities Pte Ltd for Tan Kay Toh)	125,000	0.30
26. Chee Keng Properties Sdn Bhd	125,000	0.30
27. Tee Yeow	100,000	0.24
28. Ng Hin Seong	92,900	0.23
29. Teh Liang Teik	92,500	0.23
30. Ewe Thuan Ho	87,500	0.21

# LIST OF GROUP'S PROPERTIES

## as at 31 March 2013

Location of Property	Land Area (Sq. metres)	Description/ Existing use	Tenure/ Approximate Age of building	Net Book Value as at 31.3.2013 (RM)	Date of Building Revaluation
1. Lot 2, Jalan Usahawan 5 PKNS Setapak Industrial Area Kuala Lumpur	8,094	Industrial Land and Factory Building	Leasehold / 35 years (expiring on 10.11.2093)	8,476,941	31.03.2008
2. Lot 1, Jalan Usahawan 5 PKNS Setapak Industrial Area Kuala Lumpur	21,925	Industrial Land and Factory Building	Leasehold / 17 years (expiring on 09.11.2093)	18,835,536	31.03.2008
3. Lot 13 & 14 Jalan Perusahaan Ringan Off Jalan Genting Kelang Setapak, Kuala Lumpur	3,412	Industrial Land and Factory Building	Leasehold / 49 years [expiring on 03.11.2020 (Lot 13) & 04.03.2025 (Lot 14)]	2,188,235	31.03.2008
4. P. T. 23 HS(D) 78420 Mukim of Setapak Kuala Lumpur	823	Industrial Land and Factory Building	Leasehold / 42 years (expiring on 06.02.2026)	913,435	31.03.2008

# PROXY FORM



**COMPUTER FORMS (MALAYSIA) BERHAD**  
(4423-H) (Incorporated in Malaysia)

I/We..... NRIC No./Company No. ....  
(full name in block letters)

of .....  
(full address)

being a member of **COMPUTER FORMS (MALAYSIA) BERHAD** hereby appoint .....  
..... NRIC No. ....  
(full name in block letters)

of .....  
(full address)

representing ..... percentage (%) of my/our shareholdings in the Company and/or failing him/her  
..... NRIC No. ....  
(full name in block letters)

of .....  
(full address)

representing..... percentage (%) of my/our shareholdings in the Company and/or failing him/her/them,  
the **Chairman of the Meeting** as my/our proxy/proxies to attend and vote for me/us and on my/our behalf at the Fifty-First  
Annual General Meeting of the Shareholders of the Company to be held at Bukit Kiara Equestrian and Country Resort,  
Dewan Berjaya, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur, Malaysia on Thursday, 19 September 2013  
at 11.00 a.m. and at any adjournment thereof in the manner indicated below: -

Ordinary Business	For	Against
Ordinary Resolution 1		
Ordinary Resolution 2(a)		
Ordinary Resolution 2(b)		
Ordinary Resolution 2(c)		
Ordinary Resolution 3		

*(Please indicate with an "X" in the space provided how you wish your vote to be cast for each resolution as set out in the Notice of Meeting. If no voting instructions are given, the proxy/proxies may vote or abstain from voting at his/her/their own discretion)*

CDS Account no.	
No. of Shares held	

\_\_\_\_\_  
Signature(s)/Common Seal

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2013

## Notes:

- A member entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies (but not more than two) to attend and vote instead of him. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. Where a member appoints two (2) proxies to attend the same meeting, the member shall specify the proportion of his shareholding to be represented by each proxy, failing which the appointment shall be invalid.
- Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it shall be entitled to appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.  
  
Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.  
  
Where an authorized nominee or an exempt authorized nominee appoints more than one proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
- The instrument appointing a proxy shall be deposited with the Share Registrar of the Company, Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Block D13, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor, Malaysia not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
- Depositors whose names appear in the Record of Depositors on a date not less than three (3) market days before the Annual General Meeting shall be entitled to attend and vote at the Annual General Meeting or appoint a proxy to attend, speak and vote on his behalf.



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**COMPUTER FORMS (MALAYSIA) BERHAD (4423-H)**

c/o Symphony Share Registrars Sdn Bhd  
Level 6, Symphony House  
Block D13, Pusat Dagangan Dana 1  
Jalan PJU 1A/46  
47301 Petaling Jaya, Selangor

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