Annual Report 2019

Computer Forms (Malaysia) Berhad
(4423-H)

Computer Forms [Malaysia] Berhad
(4423-H)

CONTENTS

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fifty-Seventh Annual General Meeting ("57th 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, 12 September 2019 at 10.30 a.m. for the purpose of considering and, if thought fit, passing the following resolutions:-

AGENDA

Ordinary Business

1. To receive the Audited Financial Statements of the Group and the Company for the financial year ended 31 March 2019 together with the Reports of the Directors and Auditors thereon. — **Please refer Explanatory Note**

2. To approve the payment of Directors' fees of up to RM144,000 for the period from 1 October 2019 until the next Annual General Meeting of the Company. — **Ordinary Resolution 1**

3. To re-elect the following Directors retiring in accordance with Article 83 of the Company's Articles of Association:-

   (a) Dato' Wong Hok Yim; and — **Ordinary Resolution 2(a)**
   (b) Mr Teh Kay Yeong — **Ordinary Resolution 2(b)**

4. To re-elect Mr Yap Kan Lin who is retiring in accordance with Article 90 of the Company's Articles of Association. — **Ordinary Resolution 3**

5. To re-appoint Messrs PCCO PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. — **Ordinary Resolution 4**

Special Business

To consider and, if thought fit, to pass the following resolution :-

6. **PROPOSED ADOPTION OF NEW CONSTITUTION OF THE COMPANY** — **Special Resolution**

   "**THAT** the proposed new constitution as set out in Appendix II of the Circular to Shareholders dated 31 July 2019 be and is hereby approved and adopted as the Constitution of the Company in place of the entire existing Memorandum and Articles of Association of the Company.

   AND THAT the Directors of the Company be and are hereby authorised to assent to any modifications, variations and/or amendments as may be required by the relevant authorities and to do all acts and things and take all such steps as may be considered necessary to give full effect to the proposed adoption of new constitution of the Company.

7. To transact any other business of the Company for which due notice shall have been given in accordance with the Companies Act, 2016.

By Order of the Board

Tan Shien Yin (MAICSA No. 7018545)
Ho Sok Leng (MAICSA No. 7043167)
Secretaries

Kuala Lumpur
31 July 2019

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. 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, Boardroom Share Registrars Sdn. Bhd *(formerly known as Symphony Share Registrars Sdn. Bhd.)*, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, 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 Notes :

1. **Agenda Item I - Audited Financial Statements**
   This Agenda item is meant for discussion only. Under the provisions of Sections 248(2) and 340(1)(a) of the Companies Act, 2016, the audited financial statements do not require approval of shareholders and hence, the matter will not be put forward for voting by shareholders of the Company.

2. **Ordinary Resolution 1**
   The proposed Ordinary Resolution 1 is to facilitate the payment of Directors' fees after each month of completed service of the Non-Executive Directors for the period commencing from 1 October 2019 until the next AGM of the Company, assuming that all the Non-Executive Directors will hold office until the end of the financial year. In the event that the Directors' fees proposed is insufficient (e.g. due to enlarged board size), approval will be sought at the next AGM for additional fees to meet the shortfall.

3. **Special Resolution**
   The Proposed Adoption of New Constitution of the Company, is to bring the Company's existing Memorandum and Articles of Association in line with the provisions of the Companies Act 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the prevailing statutory and regulatory requirements applicable to the Company as well as to provide clarity to certain provisions therein so as to further enhance administrative efficiency. The proposed new Constitution is set out in Appendix II of the Circular to Shareholders dated 31 July 2019 accompanying the Company's Annual Report 2019.

CORPORATE INFORMATION

BOARD OF DIRECTORS

En Muhayuddin Bin Musa	***(Managing Director)***
Mr Lee Yu-Jin	***(Executive Director)***
Dato' Thor Poh Seng	***(Non-Independent Non-Executive Director)***
Dato' Wong Hok Yim	***(Non-Independent Non-Executive Director)***
Mr Teh Kay Yeong	***(Independent Non-Executive Director)***
Mr Yap Kan Lin	***(Independent Non-Executive Director)***

AUDIT COMMITTEE
Mr Teh Kay Yeong *(MIA Member)(Chairman)*
Mr Yap Kan Lin
Dato' Thor Poh Seng

NOMINATION COMMITTEE
Mr Teh Kay Yeong
Mr Yap Kan Lin
Dato' Thor Poh Seng

REMUNERATION COMMITTEE
Mr Teh Kay Yeong
Dato' Thor Poh Seng

SENIOR INDEPENDENT NON EXECUTIVE DIRECTOR
Mr Teh Kay Yeong
Fax: (603) 4021 3033

COMPANY SECRETARIES
Ms Tan Shien Yin (MAICSA No. 7018545)
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
Malayan Banking Berhad
CIMB Bank Berhad

SHARE REGISTRAR
Boardroom Share Registrars Sdn. Bhd
(formerly known as Symphony Share Registrars Sdn. Bhd.)
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Tel: (603) 7849 0777
Fax: (603) 7841 8151 / (603) 7841 8152

AUDITORS
PCCO PLT
(Chartered Accountants)
17, Jalan Ipoh Kecil
50350 Kuala Lumpur
Tel: (603) 4042 1177
Fax: (603) 4041 9216

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

WEBSITE
www.cfm.com.my

CORPORATE STRUCTURE

Computer Forms (Malaysia) Berhad
(4423-H)

- 100% CONTIPAK NORON SENDIRIAN BERHAD (18524-U)
- 100% CFM PRINTING & STATIONERY SDN BHD (7533-H)
- 100% CHIP SENG TRADING (HOLDINGS) SDN BHD (31704-H)
  - 100% CFM DEVELOPMENT SDN BHD (7774-H)
- 56% CFM TOPPAN FORMS (M) SDN BHD* (648330-T)

* Not audited by PCCO PLT
Note : Dormant companies are excluded.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF GROUP'S BUSINESS AND OPERATIONS

Computer Forms (Malaysia) Berhad ("CFM") was incorporated in 1961 and listed on Bursa Malaysia Securities Berhad since 1990.

The CFM Group is involved in the printing industry which consists of the following companies and operations:-

CFM is one of the largest business forms and commercial security printer in Malaysia producing preprinted business forms, personalized cheque books, special printed cheques, land titles, vouchers and other commercial security items.

CFM has a joint venture with Toppan Forms Japan, the largest business forms printer in the world, CFM Toppan Forms (M) Sdn Bhd which provides data print services, business process outsourcing, document archiving and bulk mail services.

Contipak Noron Sdn Bhd, a 100% owned subsidiary of CFM produces flexible packaging printed materials such as wrappers for the FMCG, food and beverage and paper based industries. This business earns 30% of its revenue from exports.

CFM Group operations are based in Setapak, Kuala Lumpur. We operate three factories spread on a land area of 7 acres.

OBJECTIVES AND STRATEGIES

The Group's main objective is to remain as a major player in the Malaysian print industry. Our strategy to achieving this objective is to remain focus in the existing printing sectors by strengthening and expanding our customer base through efficient service and quality product delivery. Simultaneously, we are continuously exploring other new business opportunities that can contribute towards sustainable revenue and profit growth in the long term.

REVIEW OF FINANCIAL RESULTS AND FINANCIAL CONDITION

Financial Results

RM'000	2019	2018	Change	% change
Revenue	34,964	44,939	-9,975	-22.2
Gross Profit	1,714	4,877	-3,163	-64.9
Loss before Taxation	(2,896)	(2,247)	-649	+28.9
Net Loss	(2,892)	(2,406)	-486	+20.2
Net Loss attributable to Shareholders Of Parent	(2,908)	(2,640)	-268	+10.2

Margin & Ratios

	2019	2018	Change	% change
Gross Profit Margin	4.9%	10.9%	-6.0	-55.0
Gearing Ratio (Total Debt/Shareholder Equity)	0.16	0.16	0.00	0.0
Debtor Days (Trade Debtors/Revenue X 365)	90.7	103.4	-12.7	-12.3
Stock Turnover Days (Average Stock/Cost of sales X 365)	114.6	110.5	+4.1	+3.7

Revenue

Group revenue of RM35.0 million was 22.2% lower as compared with the previous financial year. The lower revenue was primarily due to the closure of the exercise book business which resulted in RM6.0 million lower revenue reported by our commercial printing business. The business forms and data print business also reported a lower revenue of RM 3.3 million caused by lower demand for cheques printing and data print services.

Loss Before Taxation

Loss before tax of RM2.9 million was RM0.65 million higher over the loss before taxation reported in the previous financial year. The higher loss before taxation was primarily due to losses of RM1.37 million reported by our commercial printing business relating to the closure of the exercise book business.

Higher losses were also reported by the flexible packaging printing segment and the business forms and data print services segment that resulted from lower revenue and lower margins.

Net Loss attributable to shareholders of parent

The net loss attributable to shareholders of parent was higher by RM0.27 million in the current financial year. The higher net loss was due to abovementioned issues.

Liquidity

Cash and cash equivalents were higher by RM2.4 million this financial year. This increase was primarily due to better collections which was reflected in the lower debtor days.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF OPERATING ACTIVITIES OF PRINCIPAL BUSINESS SEGMENTS

Business Forms and Data Print Services

External revenue decreased in the current financial year by 16.9% to RM16.1 million. Net loss of RM0.79 million was reported as compared to an operational net profit of RM181,000 in the previous financial year.

This segment experienced a slowdown in revenue this financial year caused by lower demand for cheques printing and data print services resulting from competition. The lower revenue coupled with weaker margins contributed to the reported losses.

Commercial Printing

External revenue decreased in the current financial year by 70% to RM2.6 million. Net loss increased by 37% to RM1.37 million. The lower revenue and higher losses were due to the closure of the exercise book business. This business has been reporting continuous losses over the past number of financial years as a result of a highly competitive market environment due to the reduced demand.

Flexible Packaging

External revenue decreased in the current financial year by 4.4% to RM16.2 million. Net loss increased by 162% to RM0.74 million. Lower revenue was due to weaker export orders by our major overseas customer who is facing reduced global demand for its products.

Higher losses were reported in the current financial year because of both the lower revenue and higher costs of raw materials.

RISKS AND CHALLENGES

The Business Forms segment remains competitive and difficult with declining sales and weaker margins. Customers are reducing both the quantity of forms and number of plys when placing orders. In the security printing segment, the usage of cheques has been reducing and is expected to reduce further due to Bank Negara Malaysia’s direction towards encouraging consumers and corporates to use e-banking services. Increasing raw material and staff costs continue to adversely affect our profit margins.

Data print services is facing declining in sales as the demand for paper statements is reducing. More companies are encouraging conversions to e-statement due to various reasons including environmental issues as well as cost factors. The increasing usage of the smart phone through mobile applications and internet services will continue to put pressure on this segment of our business.

The flexible packaging printing segment has also been affected by slowdown in retail consumption which has led to our customers ordering less flexible packaging material. Our export market is becoming increasingly difficult as a result of stiff competition. Margins are under pressure as competition intensified due to excess capacity as well as prices of imported raw material has risen because of the strong US dollar.

With the cessation of the exercise book business, the commercial printing segment will be significantly reduced leaving a small section of paper converting and trading business. We are hopeful with the reduced expenses, this segment will be able to show positive results in the next financial year.

MANAGEMENT DISCUSSION AND ANALYSIS

FORWARD LOOKING STATEMENT

Despite the risks and challenges the CFM Group will continue to focus on our existing businesses. We will continue to review the sustainability and viability of each business segment. At this juncture there are no plans to make any significant capital investments in our existing businesses. We will continue to look and evaluate any new business opportunities should they arise.

CFM Group will continue to seek revenue growth through providing good customer service and quality products. We will strive to improve margins by concentrating on cost reductions through restructuring, production efficiency and wastage control.

DIVIDEND POLICY

No dividend has been paid or declared by the Group for the current financial year. The CFM Group does not have a dividend policy but will consider paying a dividend in the future as and when the Group returns to profitability and its cashflow is strong enough to support such payment.

ACKNOWLEDGEMENT AND APPRECIATION

On behalf of the Board of Directors, I would like to extend my heartfelt appreciation to the Management and Staff of the CFM Group for their hard work and dedication despite the challenging business environment.

Further, I would like to thank our shareholders, valued customers, suppliers, bankers and business partners for their continued support and trust.

Muhayuddin Bin Musa
Chief Executive Officer

SUSTAINABILITY STATEMENT

The Board of Directors and Management of the CFM Group acknowledges our responsibility of ensuring that our activities have minimal adverse impact on the economic, environmental and social conditions of our key stakeholders.

This Sustainability Statement will attempt to identify our activities, key stakeholders, material sustainability risks and opportunities.

The Sustainability Statement is made with reference to Sustainability Reporting Guide issued by Bursa Securities.

GOVERNANCE

The Board of Directors is committed to the goal of becoming a sustainable organisation and has set up the Sustainability Working Committee ("SWC") to manage and oversee the Group's sustainable efforts. The SWC consists of the CEO, CFO and all heads of departments. The SWC is responsible for identifying material sustainability risks, mitigating measures and opportunities. The SWC is also responsible for setting sustainability objectives and targets as well as measuring and monitoring sustainability.

ACTIVITIES OF THE GROUP

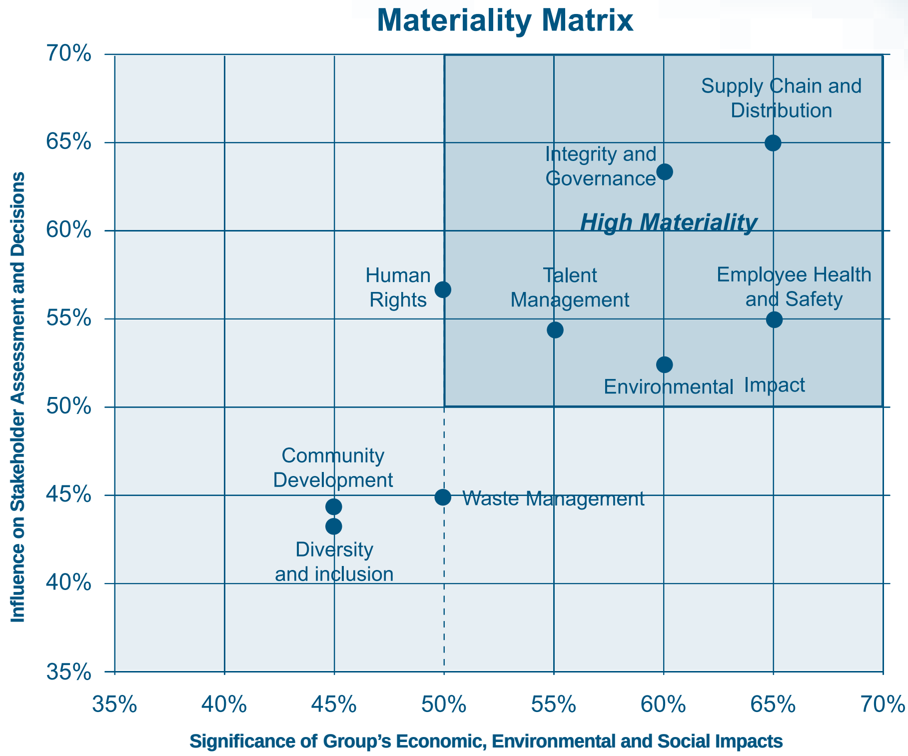
Our activities involve the printing of business forms, security documents, flexible packaging materials, data print services, paper converting and trading.

KEY STAKEHOLDERS

Stakeholders	Method of Engagement
Employees	Weekly production circle meeting
	Employees access to HR department staff
	Monthly production/operation meetings with top management
	Union Collective Agreement negotiations
	Annual Appraisals
	Recreation activities
Customers	Regular meetings with sales representatives and management
	Visits to our factories and to customers' place of business
	On site audits conducted by customers
	Annual Customers Satisfaction Survey
Suppliers	Regular meetings with our procurement department and top management
	Annual Supplier Evaluation Survey
Shareholders	Annual General Meeting
	Shareholders can communicate with the Senior Independent Director via a fax number provided in our Annual Report
Government and Authorities	Factory visits by authorities such as JKKP, JAS and Bomba
	Meetings and correspondence with top management

MATERIALITY ASSESSMENT

The SWC conducted a materiality assessment exercise which involved reviewing key Environmental, Economic and Social issues and assessing the potential impact on the financial, operational and reputational risk that could have on their individual departments or areas of responsibilities. The members of the SWC oversees the business and operational units of the Group and the final Risk Assessment Matrix was as follows:



The sustainability matters with highest materiality impact was identified as environment, talent management, employee safety and health, integrity and governance and supply chain and distribution.

KEY SUSTAINABILITY MATTERS

Economic

Financial

Risks
There is a risk that weak financial performance by the Group will affect its ability to continue in business therefore affecting the livelihood of staff as well as its ability to provide its goods and services to customers. This may also affect the share price resulting in losses in value for shareholders.

Our Commitment
To ensure a strong financial performance which will result in better benefits for employees as well as higher returns to shareholders. Further, it will provide confidence in the Company to customers and bankers.

Our Target
For the financial year ended 31 March 2019, the Group reported a net loss of RM2.89 million. Management had ceased operations of its loss-making exercise book business which contributed a net loss of RM1.39 million. Management will continue to initiate actions to reverse this trend of losses over the past financial years by concentrating on streamlining the business, increasing productivity and efficiency and reducing wastages.

ENVIRONMENTAL IMPACT

Production

Risks

There is a risk that our activities may pollute the environment for example paper, ink and chemical waste may have been disposed in non-environmentally friendly manner. There is a risk that electricity consumed by our activities contribute towards greenhouse gas emissions released by the combustion of fossil fuels to produce electricity. Further we recognised that water is a scarce resource and there is a risk that there is over utilisation of water by our activities.

Our Commitment

We are committed to ensuring that our paper waste is disposed at a paper recycling plant and that all ink and chemical waste are collected by approved government agencies responsible for toxic waste disposal. Further we are committed to reducing all our printing waste as well as reducing both electricity and water utilisation by our production facilities.

It is our key production objective to reduce wastages during production through proper planning and control on all production processes. Quality inline check is a must during various production processes in order to avoid unnecessary waste due to substandard results.

Where necessary, we reuse back all laminated film waste for production startup and adjustment, ensuring all waste is at least reused twice before scrapping. All pallet and paper core that comes together with raw material is reused for the production usage.

Certain metal wastes are recycled by in-house fabricator into auxiliary parts, trolleys and racks.

Our flexible packaging business is pursuing ISO14001:2015 in 2021 since we already met most of its requirement.

Our Targets

• Print Packaging Production

1) To reduce solid waste by 2% annually.

Description of Target	2017	2018	2019 Target
General waste (kg) per tonne of input	51.6	55.4	54.3
PE waste (kg) per tonne of input	3.1	2.7	2.6

General waste consists of printing waste which is made up of paper laminated with plastic and/or aluminium. This waste is not recyclable and will eventually end up in a landfill. Polyethylene (PE) resin waste is collected by a government approved agency for recycling.

2) To reduce chemical waste by 2% annually.

Description of Target	2017	2018	2019 Target
Waste ink (kg) per tonne of input	2.9	5.1	5.0
Waste glue (kg) per tonne of input	1.5	1.4	1.4

All ink and glue waste collected by an approved government agency responsible for toxic waste disposal.

3) To reduce Electricity and Water Utilisation (per tonne of inputs) by 5% annually.

Description of Target	2017	2018	2019 Target
Electricity (kWh) per tonne of input	1,481	1,494	1,419
Water (m3) per tonne of input	7.0	9.4	8.9

• Business Forms and Security Printing Production

1) To reduce paper waste by 2% annually and to reduce Ink and solvent waste by 5% annually.

Description of Target	2017	2018	2019 Target
Paper Wastage per tonne of output (kg)	95	96.9	87.2
Ink and Solvent waste per tonne of output (kg)	3.6	3.7	3.5

All paper waste is collected by third party and sent to a paper mill for recycling. All ink and solvent waste is collected by an approved government agency responsible for toxic waste disposal.

2) To reduce Electricity and Water Utilisation (per tonne of output) by 5% annually.

Description of Target	2017	2018	2019 Target
Electricity (kWh) per tonne of output	1,280	1,351	1,284
Water (m3) per tonne of output	4.9	5.5	5.2

SUPPLY CHAIN

Procurement Practices

Risks

There is a risk that our vendors do not have sustainability practices and by transacting with such vendors we are encouraging these practices.

Our Commitment

The Group is committed to ensuring that its key vendors prioritises sustainability practices. For instance, the Group sources its paper from mills that practices sustainable forest management as well as using ink and chemical vendors with ISO14001:2015 certification.

Our supply chain plays an important role in ensuring the efficiency and effectiveness of our operations. Our supply chain starts with the purchases of raw material from various suppliers locally and overseas. We have procurement policy and procedure in place that manages the procurement of the materials and resources. The policy also guides our assessment of suppliers/service providers to ensure that they are chosen for their ability to deliver over the long term and operate in a responsible and ethical manner.

One of the key areas that we scrutinise is their environment impact. They are required to maintain environmentally friendly business practices and assist in long-term and consistent procurement of cost-effective sustainable products. The Company also has a diversified supplier base for our raw materials to ensure that there is minimum disruption to our operations process.

The key criteria expected from suppliers and vendors is that they create and implement an environmental management system and continuously improve their environmental conservation activities to achieve the ISO14001:2015 Environmental Management System certification.

Our Targets

That at least 90% of our raw material purchases as measured in Ringgit Malaysia (RM) value are from suppliers with ISO14001:2015 Environmental Management System certification.

Description of Target	2017	2018	2019 Target
Percentage of materials purchased from suppliers, by RM value, with Environmental Management System certification	80.51%	86.29%	90.00%

SOCIAL RISKS

Diversity

Risks

There is risk of discrimination in the workplace as a result of race, gender and religion.

Our Commitment

The Group is committed to providing a work environment where all staff will have an equal opportunity to perform, excel and work together irrespective of race, gender and religion. The diversity of culture, race and gender has shaped success in our organization. This diversity should be continued and maintained within our organization. Our goal is to ensure gender balance which generates everyone with equal opportunity.

Our Targets

Our long-term goal is to have at least 50% of women at management level and 50% of female staff across the Group.

Description of Target	2017	2018	2019 Target
a. Gender profile (%) – male	59	60	50
b. Gender profile (%) – female	41	40	50
c. Male/Female gender ratio by HOD	60:40	60:40	50:50
d. Male/Female gender ratio by Management	48:52	54:46	50:50

Occupational Safety and Health

Risks

There is a risk of fatalities or injuries resulting from industrial accidents in the place of work.

Our Commitment

We are committed to high safety and health standards that ensures the workplace is safe which could lead to higher performance and quality work from employees.

We realize that the nature of our business itself involves occupational health and safety risks. Hence, the safety and health of our employees as well as the safety of our contractors, service providers and visitors to our manufacturing facilities remain a priority. We have a fundamental responsibility and commitment which is premised on the following principles:

- Compliance with laws, rules and regulations;
- Ensure a healthy and safe working environment for all employees and contract staff;
- Develop and enforce the use of safe working practices and provide training to employees in this regard;
- Make safe and health considerations an integral part of planning and of equal importance with other key operational and strategic objectives; and
- Take every measure to prevent job related injuries and illnesses.

The Group had established two Safety and Health Committee (SH Committees) according to plant location. The SH Committees established with cultivating safe workplace practices, including developing and administering safety policies, conducting annual safety audits and housekeeping of our production areas and ensuring compliance with Occupational Safety and Health laws and regulations.

The SH Committees regularly review safety performance results, occupational illness and injury incidents, workplace hazards, incident mitigation and prevention measures and conducts regular inspections.

Personal protective equipment is provided to all concerned workers to reduce potential occupational hazard exposure, whilst preventive actions such as fire drills are carried out annually to prepare our employees for speedy evacuation in the event of fire emergencies. Contractors are also expected to comply with our health, safety and environment standards.

During the reporting period, the SH Committees continued to adhere to all standard operating procedures in relation to major accident cases. Meetings were held on an immediate basis, whilst complete investigations of the accidents, including corrective and preventive actions were undertaken. Particulars of the accidents were then reported at the Company's weekly production circle meeting to create awareness and instil a safety culture amongst employees. Reviews are also carried out on a quarterly basis by the SH Committees and reported to Management in the SH Committee meeting.

The SH Committees continued to provide regular training in relation to fire safety, chemical spills, machine safety and accident-prevention to ensure a high degree of preparedness to respond to workplace safety incidents in addition to greater safety compliance.

Our Targets

As a result of our SH initiatives and proactive engagements with employees and contractors, we maintained zero fatalities in our production plant. The data of our industrial accident cases is as below:

Incidents	Year 2017	Year 2018	Target 2019
Accidents cases **Note:** **Major: lost time injury more than 4 days** **Minor: lost time injury 4 days and below**	**2 cases** **2 major**	**5 cases** **4 major &** **1 minor**	**0 case** **for** **major** **accident**

Note: Data calculated based on Department of Safety and Health requirements and the Occupational Safety and Health Act and Regulations 1994.

Talent Management

Risks
The risk of the lack of talent management by the Group could result in a mismatch between the workforce skill and business requirement.

Our Commitment
Every job requires skill and expertise other than looking at the qualification level and experience. We are committed to maintain and enhance the skill and expertise of our employees. Training provided by the Group to employees gives them the opportunity to improve their working skills, increase their confident in handling their duties and learn new skills and responsibilities which can be beneficial to the Group. The training provided consists of both internal and external courses.

Our Targets
Training provided to employees is based on the Training Need Analysis provided by each of Head of Department every year. Human Resources Department will produce a Training Plan where the training will be arranged for the selected workers. In the event of additional training sought by the Head of Department for their employees, approval is obtained from the management. The 2 years record from 2017 until 2018 show that 100% of total employees were given the opportunity to attend training provided by the Group.

Our goal is to ensure that every employee is given the opportunity to attend appropriate courses and training at least once every 2 years. The year taken is from 2017 to 2018.

Description	2017	2018	2017 - 2018 Accumulated 2 years	2018 - 2019 Accumulated 2 years Target
Percentage of Group staff	20%	100%	100%	100%

Human Rights

Risks

There is a risk that the human rights of our workers are abused through unfair labour practices or unsafe working environment.

Our Commitment

We are committed to respect human rights of our employees and our print packaging business is audited by Sedex Members Ethical Trade Audit (SMETA) which is one of the most widely used ethical audit formats in the world. The SMETA audit encompasses all aspects of responsible business practice, covering Sedex's four pillars of labour, health and safety, environment and business ethics.

The business practices of our print packaging business are adopted throughout the other businesses in the Group.

Our Targets

Our flexible packaging business complied with SMETA requirements since 2015. It is our target to keep complying with SMETA requirement audit which happened every 3 years (next audit is in 2021).

Corporate Social Responsibility (CSR)

We strongly believe in giving back to the communities in which we operate by delivering a variety of initiative targeting a wide range of beneficiaries. These programs, which are overseen by Group CSR across all business divisions, primarily aim is to promote social welfare among the less fortunate by providing them with equal opportunities to have an education and imparting good values and life skills. With hope for the future, we wish that they would be inspired and encouraged to boldly pursue their aspirations in the years ahead.

The Group believes that fulfilling their dues to society should not solely involve the Company, but also from individuals as well. The Group has always encouraged its management and staffs to be involved in welfare and charity and is pleased that the spirit of giving is very much alive within the Group.

In order to uphold our CSR's objective, our Group had made contributions to various non-profit organizations such as Malaysian Aeon Foundation and Pertubuhan Kebajikan Anak Yatim Mary Kuala Lumpur to promote social welfare among the less fortunate.

Visit and contribution by management and staff of CFM Group to Pertubuhan Kebajikan Anak Yatim Mary Kuala Lumpur.

PROFILE OF DIRECTORS

Muhayuddin Bin Musa
Managing Director *(Chief Executive Officer)*
Aged 57 • Male • Malaysian

En Muhayuddin Bin Musa was appointed to the Board of Computer Forms (Malaysia) Berhad ("CFM") 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)*
Aged 52 • Male • Malaysian

Mr Lee Yu-Jin was appointed to the Board of Computer Forms (Malaysia) Berhad ("CFM") 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 of 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 Bursa Malaysia Securities Berhad, which was engaged in the manufacture of biscuits and sweets and property investment.

Since July 2002, he has worked for CFM. His current position is Executive Director and Chief Financial Officer of CFM. He also sits on the Boards of GPA Holdings Berhad and JKG Land Berhad.

Dato' Thor Poh Seng
Non-Independent Non-Executive Director
Aged 59 • Male • Malaysian

Dato' Thor Poh Seng 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. Dato' Thor relinquished his position as Chairman of the Audit Committee on 1 December 2008 but remained as a member of the Audit Committee. On 4 November 2016, he resigned as Chairman of the Nomination Committee but remained as a member of the Nomination Committee.

Dato' Thor 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. He has extensive experience in corporate finance and industry. Dato' Thor has served on the Board of several public listed companies, with business activities covering a wide range of industries. He was also an ex-investment banker from CIMB Investment Bank Berhad ("CIMB") and has held senior positions in operations and finance in public listed companies prior to joining CIMB. Currently, he is also a Director of FCW Holdings Berhad and JKG Land Berhad.

Dato' 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.

PROFILE OF DIRECTORS

Dato' Wong Hok Yim
Non-Independent Non-Executive Director
Aged 53 • Male • Permanent Resident

Dato' Wong Hok Yim was appointed to the Board of Computer Forms (Malaysia) Berhad on 1 June 2013. Dato' Wong was re-designated from the position of Independent Non-Executive Director to Non-Independent Non-Executive Director of the Company on 21 October 2016.

Dato' Wong graduated from DeMonfort University, Leicester, United Kingdom 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. He is also a Director of Marco Holdings Berhad.

Teh Kay Yeong
Independent Non-Executive Director
Aged 56 • Male • Malaysian

Mr Teh was appointed to the Board of Computer Forms (Malaysia) Berhad on 15 November 2016. He was also appointed as member of the Audit Committee, Nomination Committee and Remuneration Committee on the same date. On 5 January 2018, Mr Teh was appointed as Chairman of the Audit Committee. He was appointed as the Senior Independent Non-Executive Director of the Company on 16 July 2019.

Mr Teh holds a Bachelor of Accounting (Honours) from University of Malaya and a Master's Degree in Business Administration majoring in Finance from University of Hull, United Kingdom. He is also a member of the Malaysian Institute of Accountants. He has extensive experience in accounting and finance and has held senior positions in operations and finance. He also sits on the Board of FCW Holdings Berhad.

Yap Kan Lin
Independent Non-Executive Director
Aged 60 • Male • Malaysian

Mr Yap was appointed to the Board of Computer Forms (Malaysia) Berhad on 16 July 2019 and was also appointed as member of the Audit Committee and Nomination Committee on the same date.

Mr Yap holds a Diploma in Architectural & Project, Construction Management. Over the past 35 years, Mr Yap has gained extensive diverse experience in architectural, property construction and project management focusing on the areas of, amongst others, contracts management, project documentations, implementation and management.

ADDITIONAL INFORMATION ON THE BOARD OF DIRECTORS

Family Relationship

None of the Directors have any family relationship with other Board Memners and/or major shareholders of the Company except for Dato' Wong Hok Yim who is the son-in-law of Tan Sri Dato' Tan Hua Choon, a major shareholder 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 Board Members have been convicted of any offence within the past 5 years other than traffic offences, if any, or have been imposed with public sanction or penalty by the relevant regulatory bodies during the financial year.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of the Directors of Computer Forms (Malaysia) Berhad ("CFM" or "the Company") values the importance of implementing and maintaining good corporate governance practices within the daily business operations of the Group in fostering the sustainability of the Group's business and the achievement of its goals and objectives with the ultimate aim of enhancing shareholders' value whilst protecting the interest of shareholders. To that, the Board is committed to preserve good corporate governance by continuously reviewing the Group's corporate governance practices with a view of adopting and implementing the principles and practices set out in the Malaysian Code on Corporate Governance 2017 ("the Code") where applicable, so as to embed in the Group, a corporate culture that aims to balance between conformance requirements with the delivery of long-term strategic success through performance, without compromising on corporate ethics and integrity.

Below is a statement and description in general on how the Group has applied the Principles and extent of compliance with the principles laid out in the Code during the financial year ended 31 March 2019. The Corporate Governance Report which provides details on how the Company has applied each principle as set out in the Code is available on the Company's website at www.cfm.com.my.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

I) Board Responsibilities

The Board plays the role of providing stewardship of the business and affairs of the Group and the proper conduct of the Group's businesses. The Board has the 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, as well as in addressing the sustainability of the Group's business.

In discharging its fiduciary responsibilities, the Board sets the business direction and oversees the conduct of the Group based on the periodic performance of the Group reported by the Management in the quarterly financial results and have full access to all operational information together with explanations provided by the Management. The Executive Directors of the Company are responsible for implementing operational and corporate decisions while the Non-Executive Directors are responsible for providing independent views, advice and judgment in consideration of the interests of shareholders at large in order to effectively check and balance the Board's decision-making process.

The Board delegates the authority and responsibility for managing the day-to-day operations of the Group to the Managing Director who leads the Management team in the execution of the expressed policies and decisions in accordance with the direction and delegation given by the Board. Together with the Executive Director, the Managing Director reviews and evaluates the strategic plan and performance, sales revenue, customers' feedback in light of changing consumers' sentiment and unfavorable economic factors as well as the running of the Group's day-to-day business operations towards attaining the Group's corporate objectives. Management meetings are held regularly and attended by the Executive Directors and Senior Management.

The principal functions and responsibilities of the Board include the following:-

a) Reviewing and adopting a strategic business plan for the Group :

The Board reviews, adopts and monitors the strategic business plan and financial performance of the Group in respect of its objectives and plans set. To ensure successful realization of the strategies in the business plan, the Board engages with the Management in monitoring the progress of initiatives taken from time to time and, where required, identifies alternative measures to be taken.

The Board also reviews the business challenges faced by the Group and approves the strategic plans proposed by the Management. In reviewing such plans, the Board constructively challenges the Management's views/assumptions in ensuring the best decisions are made having considered all relevant aspects. Relevant Board decisions are communicated to Senior Management for implementation within a reasonable time frame.

b) Overseeing the conduct of the Group's business

The Board guides the performance of the Group's business year-to-year, to evaluate whether the businesses are being properly managed. The financial results, including comparison of the actual financial performance of key business units against budget are presented quarterly by the Management to the Board for review and any unfavourable budget variances are deliberated upon and addressed for the enhancement of the performance of the Group in meeting the Group's business plan and corporate objectives.

c) Identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures

The Board reviews the system and processes as well as the key responsibilities and assesses for reasonable assurance that the risks have been managed. The Board ensures that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks. Members of the Board and the Management maintain constant communication among themselves to discuss strategic and operational risks and to formulate and implement proper action plans to mitigate the risks identified in order to achieve a proper balance between risks incurred and potential returns to shareholders.

Further details of the Group's system of internal controls are set out in the Statement on Risk Management and Internal Control in pages 34 to 37 of this Annual Report.

d) Succession Plan

The Board through the Nomination Committee assesses the performance of the individual directors (including the Executive Directors) annually to ensure all the directors possess essential skills and knowledge to discharge their responsibilities as directors of the Group.

The Board is committed to ensure that all candidates appointed to senior management are of sufficient caliber and are adequately qualified for their positions. The Management team has made efforts to identify and groom middle management by providing training and guidance to close any competency gap required, as well as career development opportunities for the management personnel in all key functions of the Group's operations as part of the management succession plan.

e) Overseeing the development and implementation of a shareholder communications policy

The Board recognizes the importance of corporate accountability to the shareholders and other stakeholders and is committed to ensure that they are kept informed in a timely and readily accessible manner of all material information concerning the Group. The Company's website is the primary medium in providing information to all shareholders and stakeholders. The Company also makes use of other communication channels like electronic facilities provided by Bursa Malaysia Securities Berhad, press releases and Annual General Meeting ("AGM")/Extraordinary General Meeting ("EGM") to disseminate material information concerning the Group.

f) Reviewing the adequacy and the integrity of the management information and internal control systems of the Group

The Board through the Audit Committee reviews the adequacy and the integrity of the Group's internal control systems for compliance with the applicable laws, regulations, rules, directive and guidelines and ensures that there is a satisfactory reporting framework on internal financial controls and regulatory compliance. Details on the risk management framework are set out in the Statement on Risk Management and Internal Control on pages 34 to 37 of this Annual Report.

g) Promoting good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour together with senior management.

The Board is committed to foster a healthy corporate governance culture which is founded on the principles of transparency, integrity and accountability within the Group which reinforces ethical, prudent and professional behavior together with senior management.

The Board shall at all times reserve full decision-making powers on matters significant to the Group's business operations including, among others, overall Group strategy and direction, acquisition and divestment policy, approval for major capital expenditures, consideration of significant financial matters and review of the financial and operating performance of the Group.

Compliance with Applicable Financial Reporting Standards

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 of the required disclosures 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 251 (2) & (3) of the Companies Act, 2016 is set out on page 43 of this Annual Report.

Board Charter

The Board has adopted a Board Charter, which provides guidance to the Board in relation to the Board's role, duties, responsibilities and authorities which are in line with the principles of good corporate governance. The Board Charter acts as a source of reference for Board members and the same is accessible by the public on the Company's website.

Code of Conduct and Ethics

The Board has formalized a Code of Conduct and Ethics for its Directors and employees which sets out the standard of business conduct and ethical behavior expected of Directors/employees of the Group in the performance and exercise of their respective duties and responsibilities with the aim of cultivating good ethical business conducts to promote transparency, integrity, accountability and social responsibility. All Directors and employees are expected to behave ethically and professionally at all times to protect and promote the reputation and performance of the Company. The Group communicates the Code of Conduct and Ethics to its Directors upon their appointment. The Code of Conduct and Ethics is made available on the Company's website.

Whistle Blowing

The Board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness. Towards that, the Board has adopted a whistle blowing policy which serves to provide an avenue for Directors, employees and external parties to raise concerns about any possible improprieties, unethical or illegal activities within the Group which they may become aware of and to provide reassurance that they will be protected from reprisals or being victimized for whistle-blowing in good faith.

Access to information and advice

All the Directors are provided with a set of board papers before board meetings consisting of the agenda and all other relevant materials detailing the performance, operational, financial and corporate matters of the Group 7 days prior to the meeting(s) or any other time frame agreed with the Board when necessary. 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 for more focused and constructive deliberation at Board meetings. Minutes of meetings of the Board and Audit Committee are also circulated to the Board for its perusal and comments prior to their confirmation as a correct record of proceedings at the following Board or Audit Committee meetings.

In addition to the board papers, the Board would also be provided with texts of any major corporate announcements to be released to Bursa Malaysia Securities Berhad ("Bursa Securities") 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 to seek clarification and understanding for information relating to the Group's business affairs to enable the Board to discharge their duties effectively to arrive at informed decisions. The Directors may also engage independent professional services on specified issues, where necessary.

Company Secretaries

The Company Secretaries are suitably qualified and are members of professional body. The Company Secretaries play a supporting role to the Board to ensure the Company's compliance with the Main Market Listing Requirements of Bursa Securities ("MMLR") and other rules and regulations whichever applicable to the Company. The Secretaries regularly update the Board on new statutory and regulatory requirements in relation to the Board's duties and responsibilities. Compliance and governance issues are regularly brought to the Board's attention. The Secretaries also ensure that adequate records of proceedings of Board meetings and circular resolutions passed are recorded and maintained in the statutory books of the Company.

II) Board Composition

Currently, the Board comprises six members, with two Independent Non-Executive Directors, a Managing Director, an Executive Director and two Non-Independent Non-Executive Directors. With this Board composition, the Company has complied with the MMLR with regard to the required ratio of independent directors. 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 17 to19 of this Annual Report.

The Company does not presently have a designated Chairman since the resignation of the previous Chairman on 31 May 2019. The Board will elect one of its non-executive members present at each board meeting to be Chairman of board meeting to instil good governance practices by ensuring that all its members participate constructively at the meetings.

En Muhayuddin Bin Musa is the Managing Director of the Company and takes on the role of the Chief Executive Officer ("CEO"). Given his leadership and with his business acumen and years of experience in the industry, he guides the vision, strategic direction and business development of the Group.

The Board acknowledges that the role of the independent non-executive directors is particularly important as they contribute independent judgment towards the performance of the Group's business activities and strategies. In this respect, the two independent directors who are independent from management and free from business relationship with the Group, are capable of providing independent views and advice to ensure a balanced independent judgment on issues requiring the Board's deliberation and decision in consideration of the best interest of the Group and the shareholders at large, as a measure of check and balance in regard to the Board's decision making process.

The Board has delegated specific responsibility to its three committees namely Audit Committee, Nomination Committee and Remuneration Committee to assist the Board in carrying out its duties for greater attention on specific aspects of issue. Each of the Board committees, which has its own terms of reference to govern their respective responsibilities, is empowered to review, report and recommend to the Board on matters relevant to their roles and responsibilities. The Board Committees will deliberate and examine issues within their defined terms of reference and report to the Board with their recommendation.

The terms of reference of each of the board committees are made available on the Company's website.

Nomination Committee

The Nomination Committee("NC"), which was established on 30 July 2002, comprises the following members:

(1) Dato' Thor Poh Seng – Non-Independent Non-Executive

(2) Mr Teh Kay Yeong – Independent Non-Executive

(3) Mr Yap Kan Lin – Independent Non-Executive

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 composition and 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 director(s) who has served the Company for more than nine years. In addition, the Nomination Committee will also review annually the term of office and performance of the Audit Committee and each of its members to determine whether the Audit Committee and its members have carried out their duties in accordance with the Audit Committee's terms of reference.

During the financial year, the NC had two meetings, chaired by an independent director, wherein all the NC members present carried out the following activities:

i) reviewed and evaluated the effectiveness of the Board and Board Committees as a whole based on the attributes of their size and structure, mix of skills, experience and qualities, diversity in age, gender, race and ethnicity, effectiveness of Board meetings, frequency of Board meetings and nature as well as the extent of function performed by the Board Committees;

ii) assessed the independence of an independent director who had served the Company for more than nine years and who stood for re-election to office.

iii) collectively carried out the assessment and rating of each Director's contribution and performance against, among others, the prescribed criterion of character, experience, level of integrity, core competencies, contributions towards Board deliberations and various meetings held and whether they have contributed sufficient time to effectively discharge their duties and responsibilities. The performance of each Executive Director was also carefully considered, including their leadership and management skills as well as their contribution towards the Group's business development and growth; and

iv) assessed the term of office and performance of the Audit Committee and each of its members based on the requisite criteria set out in the annual assessment form.

All assessments and conclusion of evaluations carried out were properly documented and reported to the Board.

Appointments to the Board

Decision on appointments of new Directors is made by the full Board on a collective basis based on the aspects of, inter alia, skills, knowledge, expertise, experience, professionalism, integrity, effect of any new appointment on board diversity, the candidate's independence for proposed appointment as independent director, after considering recommendations of the Nomination Committee.

Re-election of Directors

In accordance with the Company's Articles of Association (Constitution) ("Articles"), one third of the Directors, or if their number is not a multiple of three, the number nearest to one-third, are subject to retirement and be eligible for re-election at each Annual General Meeting. The Articles also provide that all 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.

Board Diversity

The Board has adopted a Board Diversity Policy which aims to set out the approach for achieving a diversified board for the Company's Board of Directors. Currently, the Board has not set a gender diversity target as it is of the view that the selection of suitable candidates as new Board members should be based on the candidates' competency, knowledge, skills, experience, character, time commitment and other qualities in meeting the needs of the Group. The Group has always been in support of non-discrimination on the basis of gender, age, race and religion.

Annual assessment of independence of Independent Directors

The existence of Independent Directors on the Board itself does not ensure absolute unbiased judgment as it can be compromised by familiarity with the other Board members. In this connection, the Board has undertaken an annual assessment of independence of the Independent Directors via the attributes of disclosed interests, independence of management, and the criteria for assessing their independence were developed by the Nomination Committee and adopted by the Board. The current Independent Directors of the Company have fulfilled the criteria of "independence" as prescribed under Chapter 1 of the MMLR.

Time Commitment

The Board is mindful of the importance of devoting sufficient time to carry out their responsibilities and regularly updating their knowledge and enhancing their skills. Each Director is expected to commit sufficient time as and when required to discharge their responsibilities. The Directors are aware of the maximum number of directorships rule set by Bursa Securities and all the Directors of the Company comply with the rule of holding not more than five directorships in public listed companies.

The Board has pre-scheduled meetings annually which dates are set in advance so as to facilitate the Directors' time planning.

The Board meets to review and discuss matters specifically reserved to itself for decision to ensure that the direction and control of the Group's affairs and the approval for significant matters are 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 and consideration of significant financial matters, audit findings and relevant recommendations from the internal audit consultants.

During the financial year ended 31 March 2019, two Board meetings were held with full attendance of all Directors. All proceedings, deliberations and conclusions of the Board meetings were properly recorded by the Company Secretaries present at the meetings.

Directors' Training

The Board of Directors acknowledges the importance of continuous education for keeping abreast with regulatory updates and developments in the business environment and ensuring that its members have access to continuing education programme for enhancement of the Directors' skills and knowledge in order to discharge their duties effectively.

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

- Introduction to ISO/IEC 27001:2013
- Information Security Management System
- Sustainability Engagement Series – Sustainability Reporting Workshop for Practitioners (Preparers of Sustainability Statement/ Report)
- Advocacy Programme on CG Assessment using the Revised Asean CG Scorecard Methodology
- MIA International Accountants Conference 2018
- Prevention of Market Misconduct in Digital Economy and SC Guidelines on Management of Cyber Risk
- Psychology of Investing: Victory over Your Thoughts, Success is Yours!
- MFRS / IFRS Technical Updates 2019
- ISO/IEC 27001:2013
- Information Security Management System Internal Audit
- Qualified Risk Director Programme : Series 7 Establishing an Empowered Board Risk Committee
- Intorduction to Corporate Liability Provision : what is, how will my company be affected, and what do I need to put in place by way of safeguards
- Would a business judgment rule help Directors sleep better at night

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

III) Remuneration

The Remuneration Committee was established on 30 July 2002. It comprises the following Non-Executive Directors:-

(1) Mr Teh Kay Yeong – Independent Non-Executive
(2) Dato' Thor Poh Seng – Non-Independent Non-Executive

The Board has in place remuneration policy for the Executive Directors and Non-Executive Directors of the Company which sets out to provide remuneration principles and guidelines for the Executive Directors and Non-Executive Directors of the Company. The policy is subject to periodical review by the Board and is made available on the Company's website.

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' fees structure on an annual basis.

The Board as a whole determines the remuneration package of Non-Executive Directors. The individuals concerned will abstain from discussion to be held in respect of their own remuneration package.

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

Level and make-up

The Board ensures that the levels of remuneration of the Directors commensurate with the individual's performance, time commitment, contribution and level of responsibilities undertaken while taking into consideration in general, the performance of the industry and the Group in particular. In the case of Executive Directors, 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.

Procedure

The Remuneration Committee is responsible for reviewing and formulating remuneration packages of the Executive Directors and makes suitable recommendations thereon to the Board for approval.

The determination of remuneration and benefits of Non-Executive Directors together with Non-Executive Chairman are also reviewed by the Remuneration Committee. The Directors concerned do not participate in decisions on their own remuneration packages. The fees of the Non-Executive Directors are subjected to the approval of the shareholders of the Company at its Annual General Meeting.

Disclosure

Details of the remuneration of the Directors of the Company for the financial year ended 31 March 2019 are as follows :

	Company					Subsidiaries	
Directors	**Fees**	**Salary & allowances**	**Bonus**	**EPF**	**Other emoluments**	**Fees**	**benefits-in-kind**
Executive Directors							
En Muhayuddin Bin Musa	-	RM409,500	-	RM60,480	RM7,545	-	RM23,950
Mr Lee Yu Jin	-	RM306,500	-	RM39,360	RM5,164	-	-
Non-Executive Directors							
Dato' Ibrahim Mahaludin Bin Puteh	RM48,000	-	-	-	-	-	-
Dato' Thor Poh Seng	RM18,000	-	-	-	-	-	-
Dato' Wong Hok Yim	RM60,000	-	-	-	-	-	-
Mr Teh Kay Yeong	RM18,000	-	-	-	-	-	-

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

I) Audit Committee

The Audit Committee ("AC") of the Board of Directors of the Company, which chairman is an independent director, was established on 12 April 1994.

The Board has adopted an assessment policy which sets out the guidelines and procedures to be followed by the AC in reviewing, assessing and monitoring the suitability, independence and performance of the External Auditors.

The Audit Committee reviewed and considered the suitability and independence of the External Auditors from the aspects of performance and quality of work based on the feedback obtained from the Company's finance personnel who has substantial interaction with the External Auditors, non-audit services provided and the timeliness of services deliverables and was of the view that the External Auditors, who have communicated with the Audit Committee vide the audit planning memorandum and audit findings report, have provided the necessary quality of service, possessed sufficient resources, competency and were able to demonstrate their independence throughout the conduct of the audit engagement.

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. Significant audit issues which merit the special attention of the Board and the Audit Committee would be brought up and discussed at Audit Committee meetings.

During the financial year under review, the Audit Committee met with the External Auditors twice without the presence of the Executive Directors to allow the Audit Committee members and the External Auditors to exchange independent views on matters which require the Audit Committee's attention.

The Company's External Auditors had confirmed that they were, and had been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements. Such declaration was given in the External Auditors' annual audit planning memorandum presented to the Audit Committee prior to the commencement of their audit for the financial year.

The Terms of Reference of Audit Committee provides that in the event of a proposal to appoint a former key audit partner of the external auditors as a member of the Audit Committee, the Company has to ensure that such former key audit partner has observed a cooling-off period of at least two years from his/her last engagement as external audit partner for the Company.

The External Auditors can be engaged to perform non-audit services that are not perceived to be in conflict with their role as external auditors. The External Auditors are invited to attend AGM of the Shareholders of the Company and are available to answer the shareholders' enquiries on the conduct of the statutory audit and the preparation and contents of their audit report.

The details of the Audit Committee Report are set out in pages 32 to 33 of this Annual Report.

II) Risk Management and Internal Control Framework

The Board acknowledges its overall responsibility in ensuring that a sound risk management framework and internal control system is maintained throughout the Group, covering not only financial controls but also operational and compliance controls and risk management. Such controls, by its nature, can only provide reasonable but not absolute assurance against materials misstatement, loss or fraud.

The Board has established an internal audit function which reports directly to the Audit Committee. During the financial year, the Audit Committee has undertaken a review of the effectiveness of the internal audit function which outcome suggested that the performance of the internal audit function was satisfactory.

The Group continually reviews its internal control processes and procedures to ensure it maintains a sound system of internal controls to safeguard its assets and the shareholders' investments as far as possible.

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 34 to 37 of this Annual Report.

PRINCIPLE C – INTERGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I) Communication with Shareholders and Investors

The Board takes cognisance of the need for the shareholders to be informed on all material developments affecting the Group's state of affairs. In this respect, the Board observes timely release of quarterly financial results, 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 prospects.

The Company maintains a website at www.cfm.com.my which provides an avenue for the shareholders, investors and the public at large to access to the Company's information inclusive of all announcements.

II) Conduct of General Meetings

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 shareholders are given the opportunity to raise questions pertaining to the resolutions tabled thereat or business activities of the Group. The Board members, Chief Financial Officer 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 is usually held immediately after each AGM or EGM of the Company, whereat the Board members answer questions posed on the Group's operations and future plans.

In addition, the shareholders may also address their concerns, if any, to Mr Teh Kay Yeong, the Senior Independent Non-Executive Director of the Company, via fax no. 603-4021 3033 or by mail to the Company's registered office.

Poll Voting

In line with paragraph 8.29A(1) of the MMLR, any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, must be voted by poll. Hence, voting for all the resolutions as set out in the forthcoming and future general meetings will be conducted as such. An Independent scrutineer will be appointed to validate the votes cast at the general meetings.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are required by the Companies Act, 2016 (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 cash flows position for the financial year.

The Directors consider that in preparing the financial statements for the year ended 31 March 2019 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.

OTHER INFORMATION

Audit and Non-Audit fees

The amount of audit and non-audit fees incurred for services rendered to the Company and the Group by the External Auditors or a firm or corporation affiliated to the External Auditors' firm for the financial year ended 31 March 2019 were as below:

	Audit Fees (RM)	Non-Audit Fees (RM)
Company	47,000	3,500
Group	112,950	-

Material Contracts

There were no material contracts entered into by the Company and the Group which involved the interest of the Directors or major shareholders since the end of the previous financial year.

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 2019.

COMPOSITION OF THE AUDIT COMMITTEE

Name	Directorship	Membership
Mr Teh Kay Yeong *(MIA member)*	Independent & Non-Executive	Chairman
Dato' Thor Poh Seng	Non-Independent & Non-Executive	Member
Mr Yap Kan Lin *(appointed with effect from 16 July 2019)*	Independent & Non-Executive	Member
Dato' Ibrahim Mahaludin Bin Puteh *(resigned with effect from 31 May 2019)*	Independent & Non-Executive	Member

TERMS OF REFERENCE

The Terms of Reference of CFM Audit Committee is available for reference on the Company's website at www.cfm.com.my.

MEETINGS

The attendance of each Audit Committee member at the Audit Committee meetings held during the financial year ended 31 March 2019 are as follows:-

Members	Dates of Meetings				% of Attendance
	31/05/2018	30/08/2018	29/11/2018	26/2/2019	
Mr Teh Kay Yeong	√	√	√	√	100
Dato' Ibrahim Mahaludin Bin Puteh	√	√	√	√	100
Dato' Thor Poh Seng	√	√	√	√	100
Mr Yap Kan Lin	*Mr Yap Kan Lin was not a member of the Audit Committee on the particular dates of meetings*				

The Executive Directors and Internal Audit Consultants were usually invited to attend the CFM Audit Committee meetings to brief on the activities involving their areas of responsibilities.

The Audit Committee was also briefed by the External Auditors on their annual audit findings and new standards introduced by the Malaysian Accounting Standards Board ("MASB"), where applicable. The External Auditors also had two separate discussions with the Audit Committee without the presence of the executive board members and the management.

The proceedings and conclusions of each Audit Committee meeting were documented and distributed to the entire Board of Directors.

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

During the financial year ended 31 March 2019, the activities carried out by the Audit Committee included, among others, the following:-

i) Reviewed the Group's quarterly financial results and made suitable recommendations thereon to the Board for adoption prior to their release to Bursa Malaysia Securities Berhad for the financial quarters ended 31 March 2018, 30 June 2018, 30 September 2018 and 31 December 2018.

ii) Reviewed various variances arising from the comparisons of the Group's year-to-date actual results against the budget.

iii) Reviewed the Group Budget for the financial year ending 31 March 2019.

iv) Reviewed and discussed the audit findings presented by the External Auditors in respect of the audit for the financial year ended 31 March 2018.

v) Reviewed the assistance given by the Management to the External Auditors.

vi) Reviewed the Audit Plan with regard to the External Auditors' audit program and some updates on new accounting standards/interpretations/amendments applicable to the Group's financial statements for the financial year ended 31 March 2019.

vii) Reviewed internal audit reports prepared by the Group's internal audit consultants on the production, maintenance and quality assurance processes of the active business units of the Group.

viii) Evaluated the performance of the Internal Auditors based on the requisite criteria set out in the Internal Auditors Evaluation Form.

INTERNAL AUDIT FUNCTION

The Group had since March 2002 outsourced its internal audit function to an external consultant which personnel are free from any relationship or conflict of interest or undue influence of others which could impair their independence, and reports directly to the CFM Audit Committee. The internal audit consultant provides independent and objective feedback to the Audit Committee and the Board on the adequacy, effectiveness and efficiency of the internal control system of the Group to assist the Board in ensuring that the Group's operations and management are conducted with clear lines of control and accountability with the ultimate objective of providing reasonable assurance that the internal control systems of the Group continue to operate satisfactorily and effectively.

During the financial year, the internal audit function conducted audit review on the production, maintenance and quality assurance processes of the active business units of the Group to assess the adequacy of the existing state of control design and effectiveness of the control application and recommended improvement measures in respect of the processes under review. The findings, recommended corrective measures together with the Management's response thereto were highlighted to the Audit Committee. The total cost incurred for the Group's internal audit function in respect of the financial year ended 31 March 2019 was RM68,247.

Summary of work of the internal audit function are detailed in the Statement on Risk Management and Internal Control on pages 34 to 37 of this Annual Report.

INTRODUCTION

In compliance with Paragraph 15.26(b) of Bursa Malaysia Securities Berhad Main Market Listing Requirements and the "Statement on Risk Management & Internal Control - Guidelines for Directors of Public Listed Issuers", the Board is pleased to provide the Statement on Risk Management and Internal Control which outlines the nature and scope of risk management and internal control of the Group during the financial year under review.

THE RESPONSIBILITY OF THE BOARD

The Board recognises its overall responsibility for the adequacy and effectiveness of the risk management framework and system of internal controls within the Group to safeguard shareholders' investment and Group's assets.

The Board has entrusted the Audit Committee to review the adequacy and effectiveness of the risk management and internal control system in relation to the internal audits conducted at operating units by an independent assurance provider during the financial year under review. The audit observations, together with management's response and agreed action plans are presented to the Audit Committee on a quarterly basis. In addition, the review of the internal audit reports is part of the agenda of the Board meeting.

The Board ensures that the risk management and internal control systems manage the Group's relevant and key significant risks within its risk appetite in pursuing its strategies and business objectives. However, the Board is equally aware that such systems and processes are designed to manage, rather than eliminate the risk of failure to achieve the policies, goals and objectives of the 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.

RISK MANAGEMENT FRAMEWORK

The Group adopts enterprise risk management approach and all the active businesses of the companies within the Group are considered and categorized in accordance with their main functional activities. Responsibility of risk management and control is delegated to the appropriate levels of management within the Group. This process has been in place for the financial year under review and up to the date of approval of the annual report and financial statements.

The overall risk management practice of the Group involves an ongoing process designed to identify the principal risks to the achievement of the Group's goals and objectives and to evaluate the nature and extent of those risks so as to proactively manage them efficiently, effectively and economically.

The main features of the risk management process are as follows:

a) Establish the context of risk in relation to the Group's risk appetite
The amount of risk, on a broader level, acceptable to the Group in pursuing the various business objectives is determined by the senior management.

b) Risk identification in relation to the objectives of every business function
The risks are identified through a series of interviews and discussions with the risk owners, i.e. key personnel and management of the Group. The risk identification process includes consideration of both internal and external environment factors. External environmental factors include economic and political changes, changes in the behavior of competitors, new regulations or legislation and technological developments. Internal factors include changes in key personnel, introduction of new or revision of existing policies and procedures.

The risks are also classified into four categories:
- Business Risks
- Strategic Risks
- Operational Risks
- Financial Risks

c) Assess the potential impact and likelihood of the risks identified and hence their risk levels
The impact of the risk 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 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 according to the Risk Analysis Matrix.

d) Ongoing monitor and review risk mitigating measures, risk levels and emerging risks
All the identified risk and mitigating measures are documented into a "Business Risk Profile". The Business Risk Profile of the Group is updated on an ongoing basis and approved by the Board.

The Business Risk Profile serves as a tool for the heads of department/business unit for managing key risks applicable to their areas of business. 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 Business Risk Profile are assessed in a timely manner and control procedures are re-evaluated accordingly in order to ensure that the key risks are mitigated to an acceptable level.

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

SYSTEM OF INTERNAL CONTROLS

The key elements of the Group's system of internal controls that the Board has established in reviewing the adequacy and effectiveness of the risk management and internal control system are as follows:

- A well-defined organisational structure with proper delegation of responsibilities and accountability, including authorisation levels for all aspects of the business operations.
- Standard Operating Procedures ("SOP") have been formalized and documented for the key business processes to ensure the uniformity and consistency of practices and controls within the Group. The policies and procedures are regularly updated to ensure that they remain current, relevant and aligned with evolving business environment and operational needs.
- The SOPs are subjected to review and improvement alongside the internal audit review of the selected area of operations.
- Regular review of reports from the management covering various aspects of business, key operating statistics / indicators, environmental, legal and regulatory matters.
- There is a detailed and comprehensive budgeting process for monitoring monthly performance against the budget. The budget is submitted to the Executive Director for review and approval by the Board. Key variances from the budget are reported monthly and followed up by management.
- Financial results are prepared and presented to the Board and Audit Committee on quarterly basis for effective monitoring and decision making.
- Capital expenditures and investment options are subject to review and approval from the Board.
- The Group engages the services of an internal audit function which provides independent assurance on the effectiveness of the Company's system of internal controls and advising Management on areas for further improvements.
- The Audit Committee meets at least four times a year. The Committee meets with the internal auditors and external auditors regularly to review their reports. The Audit Committee reviews the actions taken to rectify the findings in a timely manner, and to evaluate the effectiveness and adequacy of the Group's internal control systems.

Through the establishment of sound internal control, which includes monitoring reporting systems, the Board reports that the existing system of internal controls is satisfactory. No material losses have occurred during the financial year under review as a result of weakness in internal control. The Board together with management continue to take measures to strengthen the control environment.

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 Executive Directors that to the best of their knowledge the risk management and internal control system of the Group are operating effectively and adequately, in all material respects, based on the risk management and internal control described above.

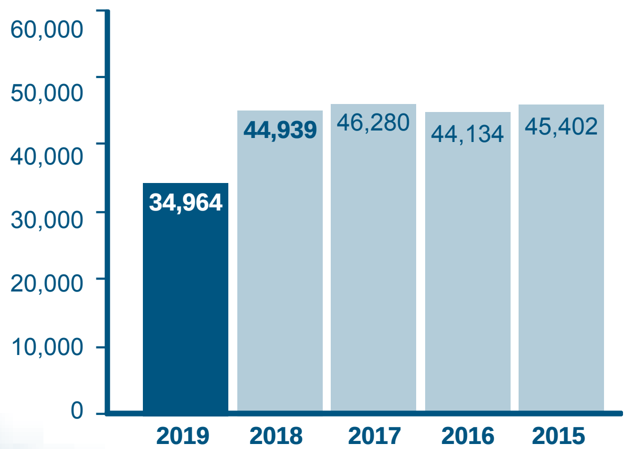
REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the External Auditors have 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 system and risk management of the Group.

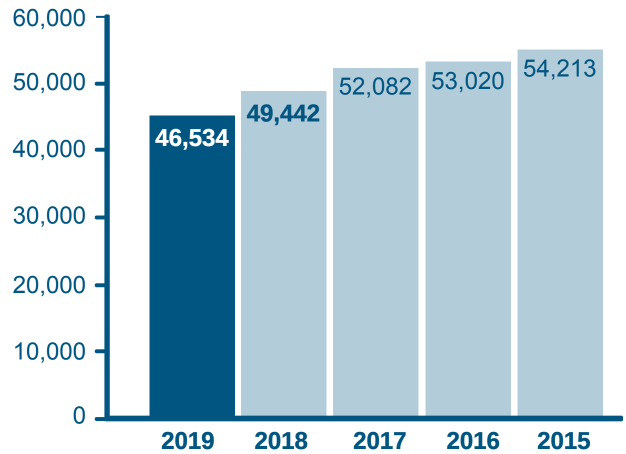
5 YEARS GROUP FINANCIAL HIGHLIGHTS

Group	2019 RM'000	2018 RM'000	2017 RM'000	2016 RM'000	2015 RM'000
Revenue	**34,964**	**44,939**	**46,280**	44,134	45,402
(Loss)/Profit Before Tax	**(2,896)**	**(2,247)**	(55)	(1,014)	(1,054)
(Loss)/Profit Attributable to Owners of the Parent	**(2,908)**	**(2,640)**	(938)	(1,193)	78
Shareholders' Funds	**46,534**	**49,442**	52,082	53,020	54,213
(Loss)/Earnings per share (sen)	**(7.09)**	**(6.44)**	(2.29)	(2.91)	0.19

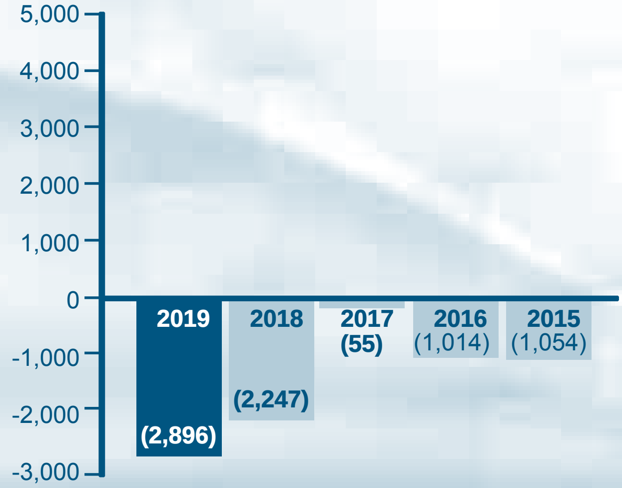
REVENUE (RM'000)



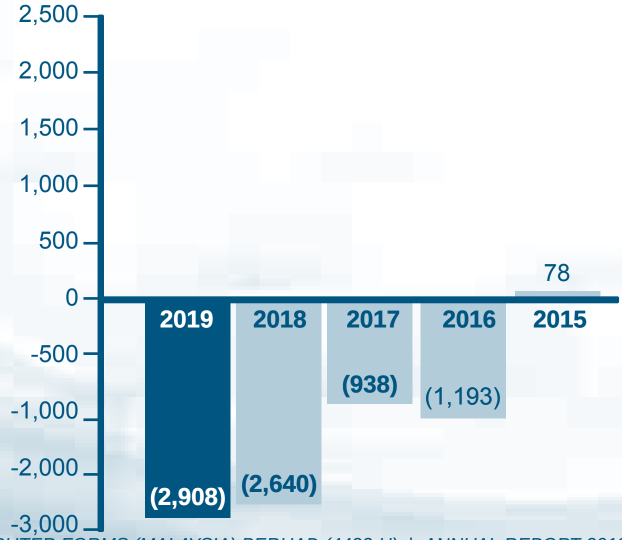
SHAREHOLDERS' FUNDS (RM'000)



(LOSS)/PROFIT BEFORE TAX (RM'000)



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



FINANCIAL STATEMENTS

DIRECTOR'S REPORT

for the financial year ended 31 March 2019

DIRECTORS' REPORT

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 2019.

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
Loss for the year	2,892,242	821,510

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 of the Group and of the Company in office during the financial year and up to the date of this report are:

Directors of the Company:

Dato' Ibrahim Mahaludin Bin Puteh	(resigned on 31 May 2019)
Muhayuddin Bin Musa	(also a director of all subsidiaries)
Lee Yu-Jin	(also a director of certain subsidiaries)
Dato' Thor Poh Seng	(also a director of certain subsidiaries)
Dato' Wong Hok Yim	(also a director of certain subsidiaries)
Teh Kay Yeong	

Other directors of the subsidiaries:

Ou Wee Sun
Leong Peng Meng
Yoichiro Hama

DIRECTORS' INTEREST

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' 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 under Note 7 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 prepared, the directors took reasonable steps:

   (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts, and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

   (ii) to ensure that any current assets, which were unlikely to be realised in the ordinary course of business including the values of current assets 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 provision 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 would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONTINUED)

(c) As at the date of this report, there does not exist:

(i) any charges on the assets of the Group and of the Company which have arisen since the end of the financial year which secures the liabilities of any other person; and

(ii) any contingent liabilities of the Group or of 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 of the Group and of the Company, 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 affect the ability of the Group or of the Company to meet their obligations when they fall due.

(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.

SUBSIDIARIES COMPANIES

Details of subsidiary companies are set out in Note 11 to the financial statements.

AUDITORS’ REMUNERATION

Details of auditors’ remuneration are set out in Note 7 to the financial statements.

AUDITORS

The auditors, PCCO PLT, have indicated their willingness to continue in office.

On behalf of the board

MUHAYUDDIN BIN MUSA

LEE YU-JIN

Kuala Lumpur
Date: 3 July 2019

STATEMENT BY DIRECTORS

In the opinion of the directors, the financial statements set out on pages 48 to 98 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 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 2019 and of their financial performance and cash flows of the Group and of the Company for the year then ended.

Signed in accordance with a resolution of the Board

MUHAYUDDIN BIN MUSA

LEE YU-JIN

Kuala Lumpur
Date: 3 July 2019

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 48 to 98 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
MIA NO: 16661

Subscribed and solemnly declared at Kuala Lumpur, Wilayah Persekutuan on 3 July 2019.

Before me:

KAPT (B) Affandi Bin Ahmad (W678)
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF COMPUTER FORMS (MALAYSIA) BERHAD (4423-H)
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Computer Forms (Malaysia) Berhad, which comprise the statements of financial position as at 31 March 2019 of the Group and of the Company, and the 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 notes to the financial statements, including a summary of significant accounting policies, as set out on pages 48 to 98.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2019 and of their financial performance and their 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 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("ByLaws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters

Key Audit Matter – Goodwill

Per the Group's accounting policy as stated in Note 2(d), the Group is required to test goodwill for impairment annually and at other time when such indicators exist. As explained in Note 1 (d)(i), the assumptions to determine the value in use requires significant judgements.

TO THE MEMBERS OF COMPUTER FORMS (MALAYSIA) BERHAD (4423-H)
(Incorporated in Malaysia)

Our audit procedures are as follows:

We discussed with management to understand the key assumptions used to calculate the value in use of the cash generating units to which goodwill is allocated. We evaluated the key assumptions used with reference to historical performance, future market trends and externally derived data. We also assessed the potential risk for management bias and adequacy of the disclosure on goodwill in Note 12. We found the assumptions used has no indication of management bias and the disclosure are adequate.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company 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 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. Ifwe conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

TO THE MEMBERS OF COMPUTER FORMS (MALAYSIA) BERHAD (4423-H)
(Incorporated in Malaysia)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonable be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we also report that the subsidiary of which we have not acted as auditors, are disclosed in Note 11 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PCCO PLT (LLP0000506-LCA)
No. AF 1056
Chartered Accountants

CHUAH SUE YIN
No. 2540/04/2020 (J)
Chartered Accountant

Kuala Lumpur
Date: 3 July 2019

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2019

	NOTE	2019 RM	2018 RM
REVENUE	6	34,963,854	44,939,005
COST OF SALES		(33,249,826)	(40,062,237)
GROSS PROFIT		1,714,028	4,876,768
OTHER INCOME		1,252,379	208,122
DISTRIBUTION COSTS		(1,808,677)	(2,082,358)
ADMINISTRATION EXPENSES		(1,814,898)	(1,654,599)
OTHER EXPENSES		(1,753,028)	(3,155,936)
FINANCE COSTS		(485,757)	(439,447)
LOSS BEFORE TAXATION	7	(2,895,953)	(2,247,450)
TAXATION	8	3,711	(158,644)
LOSS FOR THE YEAR		(2,892,242)	(2,406,094)
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(2,892,242)	(2,406,094)
(LOSS)/PROFIT AND TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR ATTRIBUTABLE TO:			
OWNERS OF THE PARENT		(2,907,702)	(2,640,137)
NON-CONTROLLING INTEREST		15,460	234,043
		(2,892,242)	(2,406,094)
EARNINGS PER SHARE (sen)			
- basic	9	(7.09)	(6.44)
- diluted	9	(7.09)	(6.44)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 March 2019

	NOTE	2019 RM	2018 RM
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	10	30,061,091	31,786,695
Goodwill on consolidation	12	392,818	392,818
		30,453,909	32,179,513
CURRENT ASSETS			
Inventories	13	9,561,447	11,313,789
Trade receivables	15	8,688,253	12,784,853
Other receivables	16	1,470,862	1,335,048
Tax recoverable		521,733	788,567
Fixed deposits with licensed banks	17	6,595,079	3,362,891
Cash and bank balances	18	4,613,657	5,958,634
		31,451,031	35,543,782
TOTAL ASSETS		61,904,940	67,723,295
EQUITY AND LIABILITIES			
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT			
Share capital	19	41,000,000	41,000,000
Retained profits		5,534,365	8,442,067
		46,534,365	49,442,067
NON-CONTROLLING INTEREST		2,299,528	2,284,068
TOTAL EQUITY		48,833,893	51,726,135
NON-CURRENT LIABILITIES			
Hire purchase payables	20	60,005	183,688
Term loan	21	294,540	1,182,413
Deferred taxation	22	1,970,339	2,028,233
		2,324,884	3,394,334
CURRENT LIABILITIES			
Trade payables	24	2,380,453	3,198,515
Other payables	25	1,310,272	2,359,752
Amount due to a director	26	-	242
Hire purchase payables	20	125,117	452,125
Short term borrowings	27	6,051,765	5,780,932
Term loan	21	878,556	811,260
		10,746,163	12,602,826
TOTAL LIABILITIES		13,071,047	15,997,160
TOTAL EQUITY AND LIABILITIES		61,904,940	67,723,295

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2019

	Attributable to owners of the Parent				
	Share capital RM	Retained profits RM	Total RM	Non-controlling interest RM	Total RM
Balance at 1 April 2017	41,000,000	11,082,204	52,082,204	2,050,025	54,132,229
(Loss)/profit for the year	-	(2,640,137)	(2,640,137)	234,043	(2,406,094)
Total comprehensive (loss)/income	-	(2,640,137)	(2,640,137)	234,043	(2,406,094)
Balance at 31 March 2018	41,000,000	8,442,067	49,442,067	2,284,068	51,726,135
Balance at 1 April 2018	41,000,000	8,442,067	49,442,067	2,284,068	51,726,135
(Loss)/profit for the year	-	(2,907,702)	(2,907,702)	15,460	(2,892,242)
Total comprehensive (loss)/income	-	(2,907,702)	(2,907,702)	15,460	(2,892,242)
Balance at 31 March 2019	41,000,000	5,534,365	46,534,365	2,299,528	48,833,893

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

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2019

	NOTE	2019 RM	2018 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(2,895,953)	(2,247,450)
Adjustments for:			
Gain on disposal of property, plant and equipment		(968,992)	-
Loan allowance for impairment of receivables		16,596	45,437
Reversal of allowance for impairment of receivables		(34,655)	(17,416)
Depreciation		1,540,232	1,652,376
Inventories written off		10,373	21,295
Interest expense		485,757	439,447
Interest income		(65,364)	(56,501)
Property, plant and equipment written off		460	-
Unrealised (gain)/loss on foreign exchange		14,254	(6,180)
Impairment of goodwill		-	916,574
Inventories written down		-	40,984
Bad debts written off		-	11,916
(Loss)/profit before working capital changes		(1,897,292)	800,482
Working capital changes:			
Inventories		1,741,969	4,634,820
Trade receivables		4,113,625	1,991,947
Other receivables		(135,814)	(459,453)
Amount due to a director		242	242
Trade payables		818,088	(1,276,357)
Other payables		(1,049,480)	491,823
Cash inflows from operations		1,954,678	6,183,504
Interest received		65,364	56,501
Interest paid		(485,757)	(439,447)
Tax paid		(431,330)	(925,630)
Tax refund		643,981	391,751
Net cash inflows from operating activities		1,746,936	5,266,679
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		1,459,422	-
Withdrawal/(placement) of fixed deposits with a licensed banks		392,812	(657,812)
Purchase of property, plant and equipment		(305,518)	(380,106)
Net cash outflows from investing activities		1,546,716	(1,037,918)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of hire purchase payables		(450,691)	(484,096)
Drawndown of bankers acceptances		385,000	831,000
Repayment of term loan		(820,577)	(779,062)
Net cash outflows from financing activities	C	(886,268)	(432,158)
NET INCREASE IN CASH AND CASH EQUIVALENTS		2,407,384	3,796,603
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		(13,194)	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		5,110,702	1,314,099
CASH AND CASH EQUIVALENTS AT END OF YEAR	B	7,504,892	5,110,702

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2019

A. SUMMARY OF EFFECT OF ACQUISITION OF SHARES IN SUBSIDIARY COMPANIES

	2019 RM	2018 RM
Cash in hand	-	4
Net assets acquired and purchase consideration	-	4
Cash in hand acquired	-	(4)
Net cash flow from acquisition of subsidiary companies	-	-

B. CASH AND CASH EQUIVALENTS

	2019 RM	2018 RM
Bank overdrafts	(2,608,765)	(2,722,932)
Cash and bank balances	4,613,657	5,958,634
Fixed deposit with licensed banks	5,500,000	1,875,000
Total cash and cash equivalents	7,504,892	5,110,702

C. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	As at 1 April 2018 RM	Cash flows movements RM	As at 31 March 2019 RM
Hire purchase payables	635,813	(450,691)	185,122
Bankers acceptances	3,058,000	385,000	3,443,000
Term loan	1,993,673	(820,577)	1,173,096
	5,687,486	(886,268)	4,801,218

	As at 1 April 2017 RM	Cash flows movements RM	As at 31 March 2018 RM
Hire purchase payables	1,119,909	(484,096)	635,813
Bankers acceptances	2,227,000	831,000	3,058,000
Term loan	2,772,735	(779,062)	1,993,673
	6,119,644	(432,158)	5,687,486

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

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2019

		2019	2018
	NOTE	RM	RM
REVENUE	6	11,751,059	12,475,306
COST OF SALES		(9,645,560)	(9,955,399)
GROSS PROFIT		2,105,499	2,519,907
OTHER INCOME		70,804	10,020,024
DISTRIBUTION COSTS		(693,704)	(698,638)
ADMINISTRATION EXPENSES		(802,095)	(598,536)
OTHER EXPENSES		(1,382,354)	(34,949,701)
FINANCE COSTS		(119,660)	(116,835)
LOSS BEFORE TAXATION	7	(821,510)	(23,823,779)
TAXATION	8	-	65,196
LOSS FOR THE YEAR		(821,510)	(23,758,583)
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(821,510)	(23,758,583)
LOSS AND TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO:			
OWNERS OF THE PARENT		(821,510)	(23,758,583)

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

STATEMENT OF FINANCIAL POSITION

for the year ended 31 March 2019

	NOTE	2019 RM	2018 RM
ASSETS			
NON – CURRENT ASSETS			
Property, plant and equipment	10	658,133	785,799
Subsidiary companies	11	51,047,970	51,047,970
		51,706,103	51,833,769
CURRENT ASSETS			
Inventories	13	3,927,756	4,104,877
Amounts due from subsidiary companies	14	18,951,861	19,737,055
Trade receivables	15	2,195,607	2,630,277
Other receivables	16	474,715	356,359
Tax recoverable		263,860	390,523
Fixed deposits with licensed banks	17	925,079	1,072,891
Cash and bank balances	18	548,502	548,581
		27,287,380	28,840,563
TOTAL ASSETS		78,993,483	80,674,332
EQUITY AND LIABILITIES			
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT			
Share capital	19	41,000,000	41,000,000
Retained profits		9,916,734	10,738,244
TOTAL EQUITY		50,916,734	51,738,244
NON - CURRENT LIABILITIES			
Hire purchase payables	20	26,122	40,667
		26,122	40,667
CURRENT LIABILITIES			
Amounts due to subsidiary companies	23	25,437,053	24,769,636
Trade payables	24	178,948	621,357
Other payables	25	274,825	349,563
Hire purchase payables	20	15,979	24,140
Short term borrowings	27	2,143,822	3,130,725
		28,050,627	28,895,421
TOTAL LIABILITIES		28,076,749	28,936,088
TOTAL EQUITY AND LIABILITIES		78,993,483	80,674,332

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

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2019

	← Attributable to owners of the Parent →		
	Share capital RM	Retained profits RM	Total RM
Balance at 1 April 2017	41,000,000	34,496,827	75,496,827
Loss for the year	-	(23,758,583)	(23,758,583)
Total comprehensive loss	-	(23,758,583)	(23,758,583)
Balance at 31 March 2018	41,000,000	10,738,244	51,738,244
Balance at 1 April 2018	41,000,000	10,738,244	51,738,244
Loss for the year	-	(821,510)	(821,510)
Total comprehensive loss	-	(821,510)	(821,510)
Balance at 31 March 2019	41,000,000	9,916,734	50,916,734

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

STATEMENT OF CASH FLOWS

for the year ended 31 March 2019

	NOTE	2019 RM	2018 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(821,510)	(23,823,779)
Adjustments for:			
Allowance for impairment of receivables		-	30,655
Reversal of allowance for impairment of receivables		(30,655)	-
Gain on disposal of property, plant and equipment		(13,830)	-
Depreciation		194,050	180,704
Dividend income from a subsidiary company		-	(9,984,000)
Interest expenses		119,660	116,835
Inventories written off		10,373	4,793
Interest income		(26,319)	(35,257)
Impairment loss on investment in a subsidiary company		-	33,392,000
Loss before working capital changes		(568,231)	(118,049)
Working capital changes:			
Inventories		166,748	491,161
Amount due from subsidiaries companies		(2,382)	7,082
Trade receivables		465,325	(164,069)
Other receivables		(118,356)	43,732
Amount due to subsidiary companies		(38,225)	108,833
Trade payables		(442,409)	(70,408)
Other payables		(74,738)	89,218
Cash (outflows)/inflows from operations		(612,268)	387,500
Interest received		26,319	35,257
Interest paid		(119,660)	(116,835)
Tax paid		(73,337)	(200,826)
Tax refunded		200,000	138,091
Net cash (outflows)/inflows from operating activities		(578,946)	243,187

for the year ended 31 March 2019

	NOTE	2019 RM	2018 RM
CASH FLOWS FROM INVESTING ACTIVITIES			
Placement/(withdrawal) of fixed deposits with a licensed banks		147,812	(317,812)
Dividend received from a subsidiary company		-	9,984,000
Purchase of investment in a subsidiary company		-	(2)
Proceeds from disposal of property, plant and equipment		13,830	-
Repayment of advances from/(advances to) subsidiary companies		787,576	(6,332,062)
Purchase of property, plant and equipment		(66,384)	(165,722)
Net cash inflows from investing activities		882,834	3,168,402
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of hire purchase payable		(22,706)	(52,513)
Drawndown/(repayment) of advances to subsidiary companies		705,642	(3,354,380)
(Repayment)/drawndown of bankers' acceptances		(970,000)	291,000
Net cash outflows from financing activities	A	(287,064)	(3,115,893)
NET INCREASE IN CASH AND CASH EQUIVALENTS		16,824	295,696
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		(64,144)	(359,840)
CASH AND CASH EQUIVALENTS AT END OF YEAR	B	(47,320)	(64,144)

NOTES TO THE STATEMENT OF CASH FLOWS

for the year ended 31 March 2019

A. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	As at 1 April 2018 RM	Cash flows movements RM	As at 31 March 2019 RM
Hire purchase payables	64,807	(22,706)	42,101
Advances to subsidiary companies	24,566,163	705,642	25,271,805
Bankers acceptances	2,518,000	(970,000)	1,548,000
	27,148,970	(287,064)	26,861,906

	As at 1 April 2017 RM	Cash flows movements RM	As at 31 March 2018 RM
Hire purchase payables	117,320	(52,513)	64,807
Advances to subsidiary companies	27,920,543	(3,354,380)	24,566,163
Bankers acceptances	2,227,000	291,000	2,518,000
	30,264,863	(3,115,893)	27,148,970

B. CASH AND CASH EQUIVALENTS

	2019 RM	2018 RM
Cash and bank balances	548,502	548,581
Bank overdrafts	(595,822)	(612,725)
Total cash and cash equivalents	(47,320)	(64,144)

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

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 3 July 2019.

(a) Statement of compliance

The financial statements comply with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

On 1 April 2018, the Group and the Company adopted the following new MFRSs, IC Interpretation and Amendments to MFRSs mandatory for annual financial periods beginning on or after 1 April 2018:

Standards/IC Interpretation

MFRS 15 - Revenue from Contracts with Customers

Clarifications to MFRS 15 - Revenue from Contracts with Customers

MFRS 9 - Financial Instruments (IFRS 9 as issued by IASB in July 2014)

IC Interpretation 22-Foreign Currency Transactions and Advance Consideration

The adoption of the above new MFRSs, IC Interpretation and Amendments to MFRSs do not have any material effect on the financial statements of the Group and of the Company except as disclosed in Note 33.

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

Standards/IC Interpretations/Amendments	Effective date
Amendments to MFRS 9 -Prepayment Features with Negative Compensations	1 January 2019
MFRS 16 -Leases	1 January 2019
Annual Improvements to MFRSs Standards 2015 -2017 Cycle:	
• Amendments to MFRS 3 Business Combinations	1 January 2019
• Amendments to MFRS 112 Income Taxes	1 January 2019
• Amendments to MFRS 123 Borrowing Costs	1 January 2019
IC Interpretation 23 -Uncertainty Over Income Tax Treatments	1 January 2019

1. BASIS OF PREPARATION (continued)

(a) Statement of compliance (continued)

Amendments to MFRS 3 -Business Combinations	1 January 2020
Amendments to MFRS 134 - Interim Financial Reporting	1 January 2020
Amendments to MFRS 101 -Definition of Material	1 January 2020
Amendments to MFRS 108 -Definition of Material	1 January 2020
Amendments to MFRS 137 -Definition of Material	1 January 2020
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020

The initial adoption of the new MFRSs, IC Interpretations and Amendments to MFRSs and IC Interpretations do not have any material effect on the financial statements.

(b) Functional and presentation currency

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

The Company's functional currency is Ringgit Malaysia.

(c) Basis of Measurement

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

(d) Use of estimates and judgments

The preparation of financial statement required management to make judgement, 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:

1. BASIS OF PREPARATION (continued)

(d) Use of estimates and judgments (continued)

(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. The assumptions to determine the value-in-use requires the exercise of significant management judgements. Further details are disclosed in Note 12.

(ii) Impairment of receivables

The Company applied a forward looking impairment basis to calculate the lifetime expected credit losses on trade receivables. The Company assess the credit risk on the trade receivables by using internal ratings criteria that categorised the customers into differs types of credit ratings. Further details are disclosed in Note 3(b) and Note 15.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements unless otherwise stated in Note 33.

(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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of consolidation (continued)

(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 financial asset depending on the influence retained.

(iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised gains and losses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements except when an unrealised loss may indicate an impairment loss that requires recognition in the consolidated financial statements.

(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 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 Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, potential voting rights are considered when such rights are substantive. The Group considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Separate financial statements

In the separate financial statements of the Company, investments in subsidiaries are measured at cost less any impairment losses.

(d) 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.

(e) 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.

(f) 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 assets 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.

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 Company 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Property, plant and equipment (continued)

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	5 – 20
Furniture, fittings, equipment and renovation	5 – 33.33
Motor vehicles	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.

(g) 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 cost necessary to make the sale.

(h) Foreign currencies

For each entity in the Group, transactions denominated in foreign currencies are translated and recorded at the rates of exchange prevailing at the respective dates of transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the period. Non-monetary items carried at fair values that are denominated in foreign currencies are retranslated at the rates prevailing at the dates the fair values were determined. Non-monetary items that are measured at their historical cost in a foreign currency is translated using the exchange rate at the date of the transaction.

All exchange differences arising on settled transactions and on unsettled monetary items are recognised in profit or loss in the period.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) 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. 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.

(j) Revenue recognition

Revenue are recognised when the control of the goods are transferred, being when the goods are delivered to the customer and the customer has the significant risks and rewards of ownership of the goods i.e. the customer has full discretion over the channel and price to sell the goods, and there is no unfulfilled obligation that could affect the customer’s acceptance of the goods.

Revenue are recognised when the control of the services are transferred, being when the services are rendered as this is the point in time that the consideration is unconditional.

No element of financing is deemed present as the sales are made which is consistent with market practice.

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

(k) Impairment of assets

The carrying amounts of the Group’s and Company’s assets other than inventories, deferred tax assets and financial assets that are within the scope of MFRS 9, 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 and the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that of would have been determined, net of amortisation or depreciation, had no impairment loss been recognised for the asset in prior years.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Employee benefits

(i) Short term employee benefits

Short term employee benefit obligation are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised if the Group and the Company have a present legal or constructive obligation to made such payment as a result of past events and a reliable estimate of the obligation can be made.

(ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund (“EPF”). The contribution are recognised as a liability after deducting any amount already paid and as an expense in the period in which the employees render their services.

(m) 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 classified as equity instruments.

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

(n) 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 Group 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 32, including the factors used to identify the reportable segments and the measurement basis of segment information.

(o) Cash and cash 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Leases

(i) Classifications

A lease is recognised as a finance lease or hire purchase if it transfers substantially to the Group and the Company 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 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.

(q) Fair value measurement

For assets, liabilities and equity instruments (whether financial or non-financial items) that require fair value measurement or disclosure, the Group and the Company establish a fair value measurement hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value. This fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets, liabilities or equity instruments and the lowest priority to unobservable inputs.

A fair value measurement of an item is classified as a Level 1 measurement if it is estimated using a quoted price in a active market. The active market is the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market for the asset or liability; and for which the Group and the Company can enter into a transaction for the asset or liability at the price in that market at the measurement date.

In the absence of Level 1 inputs, a fair value measurement of an item is classified as a Level 2 measurement if it is estimated by an established valuation technique using inputs from the marketplace that are observable for substantially the full term of the asset or liability.

In the absence of both Level 1 and Level 2 inputs, a fair value measurement of an item is classified as a Level 3 measurement if it is estimated by an established valuation technique using unobservable inputs, including internally developed assumptions.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Dividends

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

The distribution to owners is recognised as dividend payable when the dividend has been appropriately authorised.

(s) Hire purchase payables

Property, plant and equipment held under hire purchase are treated as it there have 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 method.

(t) Investments and other financial assets

(i) Classification

From 1 April 2018, the Group and the Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

- those to be measured at amortised cost.

The classification depends on the Group's and the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be record-ed in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group and the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group and the Company reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Measurement

At initial recognition, the Group and the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carries at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Investments and other financial assets (continued)

(ii) Measurement (continued)

Debt Instruments

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group and the Company classifies its debt instruments:

(a) **Amortised costs**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is recognised using the effective interest rate method. Any gain or loss arising on derecognition is recognised in profit or loss together with foreign exchange gains and losses.

(b) **Fair value through other comprehensive income (FVOCI)**

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through, other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is recognised using the effective interest rate method.

(c) **Fair value through profit or loss (FVTPL)**

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Any gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss.

Equity Instruments

The Group and the Company subsequently measures all equity investments at fair values.

Where the Group and the Company has elected to present fair value gain and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Changes in the fair value of financial assets at fair value though profit or loss are recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Investments and other financial assets (continued)

(iii) Impairment

From 1 April 2018, the Group and the Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group and the Company applies the simplified approach permitted by MFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The Group and the Company has applied MFRS 9 retrospectively, but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the Group's and the Company's previous accounting policy as follows:

Until 31 March 2018, 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 assets.

Financial assets are initially recognised at fair value plus transaction 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 transaction costs are expensed in the profit or loss.

(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).

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(iii) Loans and receivables

Loans and 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-forsale 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.

(u) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Financial liabilities (continued)

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.

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.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES

The Group's and the Company's operating, investing and financing activities expose the Group and the Company to foreign exchange risk, interest rate risk, credit risk, and liquidity risk. The Group's and the Company's overall risk management programme is to focus on minimising the potential adverse effects on the Group's and 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 ongoing basis and endeavour to keep the net exposure at an acceptable level.

As at the reporting date, the Group's result is not materially affected by the movement in the exchange rates of foreign currencies.

(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 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.

As at the reporting date, the Group's and Company's results are not materially affected by the movement in interest rate for borrowings.

The Group's and the Company's exposure to interest rate risk is minimum deposits because their interest bearing fixed deposits are at fixed rate. Thus any change to the interest rate have immaterial effect to the profit and equity.

(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.

As at the reporting date, the Group has no significant concentration of credit risk.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES (continued)

(b) Credit risk management (continued)

As at the reporting date, approximately 74% (2018: 72%) of the Company's receivables were due from a subsidiary company.

The Company has applied a forward-looking impairment policy to calculate the lifetime expected credit losses on trade receivables. The Company assess the credit risk on the trade receivables by using internal ratings criteria that categorised the customers into five types of credit ratings based on financial ratings and past repayment records. The expected credit losses are as follows:

i) Category A - good financial rated customers with good payment records and losses incurred infrequently;

ii) Category B - reasonably good financial rated customers with good payment records and losses incurred infrequently;

iii) Category C - good financial rated customers with slow payment records with debts more than 30 days past due is impaired at 5%;

iv) Category D - reasonably good financial rated customers with slow payment records with debts more than 30 days past due is impaired at 10%; and

v) Category E - receivables having significant financial difficulties and having defaulted on payments is individually impaired.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES (continued)

(b) Credit risk management (continued)

On that basis, the loss allowance was determined as follows:

GROUP

As at 31 March 2019

Trade receivables

	Category A	Category B	Category C	Category D	Category E	Total
Expected credit loss rate	0%	0%	5%	10%	Specific	
Gross carrying amount (RM)	6,740,103	1,948,150	-	-	393,065	9,081,318
Loss allowance (RM)	-	-	-	-	(393,065)	(393,065)

As at 1 April 2018

Trade receivables

	Category A	Category B	Category C	Category D	Category E	Total
Expected credit loss rate	0%	0%	5%	10%	Specific	
Gross carrying amount (RM)	9,795,284	2,989,569	-	-	411,124	13,195,977
Loss allowance (RM)	-	-	-	-	(411,124)	(411,124)

COMPANY

As at 31 March 2019

Trade receivables and amount due to subsidiary company - trade

	Category A	Category B	Category C	Category D	Category E	Total
Expected credit loss rate	0%	0%	5%	10%	Specific	
Gross carrying amount (RM)	2,026,316	225,966	-	-	78,061	2,330,343
Loss allowance (RM)	-	-	-	-	(78,061)	(78,061)

As at 1 April 2018

Trade receivables and amount due to subsidiary company - trade

	Category A	Category B	Category C	Category D	Category E	Total
Expected credit loss rate	0%	0%	5%	10%	Specific	
Gross carrying amount (RM)	2,162,770	521,800	-	-	108,716	2,793,286
Loss allowance (RM)	-	-	-	-	(108,716)	(108,716)

3. FINANCIAL RISK MANAGEMENT OBJECTIVES (continued)

(b) Credit risk management (continued)

Generally debts are fully written off when there is no reasonable expectation of recovery include, amongst others where debts past due for more than eight years and not subject to enforcement activity.

The Group and the Company applied the 12 month expected credit losses on receivables, deposits, fixed deposits, cash and bank balances and the credit risk is considered low especially for deposits placed with licensed bank and thus no impairment is required.

In prior year, impairment of trade receivables was assessed based on incurred loss model. Receivables are impaired based on those with significant financial difficulties and have defaulted on payments. .

(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 reporting date to the contractual maturity date.

	Within 1 year RM	2 to 5 years RM	Total RM
GROUP			
As at 31 March 2019			
Non-derivative financial liabilities			
Trade payables	2,380,453	-	2,380,453
Other payables excluding GST payables and SST payable	1,180,854	-	1,180,854
Short term borrowings	6,051,765	-	6,051,765
Term loan	941,436	299,382	1,240,818
Hire purchase payables	131,177	63,132	194,309
Guarantees	254,750	66,776	321,526

3. FINANCIAL RISK MANAGEMENT OBJECTIVES (continued)

(c) Liquidity risk management (continued)

	Within 1 year RM	2 to 5 years RM	Total RM
As at 31 March 2018			
Non-derivative financial liabilities			
Amount due to a director	242	-	242
Trade payables	3,198,515	-	3,198,515
Other payables excluding GST payables and SST payable	2,311,518	-	2,311,518
Short term borrowings	5,780,932	-	5,780,932
Term loan	941,436	1,250,285	2,191,721
Hire purchase payables	477,749	192,781	670,530
Guarantees	325,026	4,500	329,526

COMPANY

	Within 1 year RM	2 to 5 years RM	Total RM
As at 31 March 2019			
Non-derivative financial liabilities			
Amount due to a subsidiary company	25,437,053	-	25,437,053
Trade payables	178,948	-	178,948
Other payables excluding GST payables and SST payable	257,673	-	257,673
Short term borrowings	2,143,822	-	2,143,822
Hire purchase payables	18,336	27,492	45,828
Guarantees	8,174,939	66,776	8,241,715
As at 31 March 2018			
Non-derivative financial liabilities			
Amount due to a subsidiary company	24,769,636	-	24,769,636
Trade payables	621,357	-	621,357
Other payables excluding GST payables and SST payable	311,891	-	311,891
Short term borrowings	3,130,725	-	3,130,725
Hire purchase payables	27,546	44,300	71,846
Guarantees	8,234,715	4,500	8,239,215

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	2019 RM	2018 RM
GROUP		
Financial assets		
Financial assets measured at amortised cost		
- Trade receivables	8,688,253	-
- Other receivables excluding prepayments and GST receivable	671,741	-
- Fixed deposits with licensed banks	4,613,657	-
- Cash and bank balances	6,595,079	-
Loans and receivables		
- Trade receivables	-	12,784,853
- Other receivables excluding prepayments and certain deposits	-	520,902
- Fixed deposits with licensed banks	-	3,362,891
- Cash and bank balances	-	5,958,634
Financial liabilities		
Other financial liabilities measured at amortised cost		
- Trade payables	2,380,453	3,198,515
- Other payables excluding GST payable and SST payable	1,180,854	2,311,518
- Amount due to a director	-	242
- Short term borrowings	6,051,765	5,780,932
- Term loan	1,173,096	1,993,673
COMPANY		
Financial assets		
Financial assets measured at amortised cost		
- Amount due to subsidiary companies	18,951,861	-
- Trade receivables	2,195,607	-
- Other receivables excluding GST receivable and prepayments	161,962	-
- Fixed deposits with licensed banks	925,079	-
- Cash and bank balances	548,502	-
Loans and receivables		
- Amount due to subsidiary company	-	19,737,055
- Trade receivables	-	2,630,277
- Other receivables excluding prepayments and certain deposits	-	172,852
- Fixed deposits with licensed banks	-	1,072,891
- Cash and bank balances	-	548,581
Financial liabilities		
Other financial liabilities measured at amortised cost		
- Amount due to subsidiary company	25,437,053	24,769,636
- Trade payables	178,948	621,357
- Other payables excluding SST payable and GST payable	257,673	311,891
- Short term borrowings	2,143,822	3,130,725

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.

6. REVENUE

The Company derives revenue from the transfer of goods and render of services at a point in time.

7. LOSS BEFORE TAXATION

	GROUP 2019 RM	GROUP 2018 RM	COMPANY 2019 RM	COMPANY 2018 RM
Loss before taxation is stated after charging and (crediting):				
Auditors' remunerations:				
Company's auditors:				
current year	93,000	91,400	47,000	44,500
underprovision in prior year	2,600	-	1,000	-
Other auditors:				
current year	19,950	19,950	-	-
overprovision in prior year	(11,660)	-	-	-
Cost of inventories charged to expenses	31,317,155	40,062,237	9,645,560	9,955,399
Depreciation	1,540,232	1,652,376	194,050	180,704
Directors' remuneration:				
fees	144,000	162,000	144,000	144,000
other emoluments*	828,549	887,650	828,549	887,650
benefit in kind	23,950	23,950	-	-
Hire purchase interest	25,514	59,481	3,312	7,261
Expense on other financial liabilities:				
at amortised costs:				
Interest expenses:				
bank overdrafts	168,644	129,989	24,471	22,660
term loan	120,860	162,374	-	-
bankers' acceptances	170,739	87,603	91,877	86,914
Income/expense on loans and receivables and other financial liabilities at amortised costs:				
Realised loss/(gain) on foreign exchange	-	110,678	-	(436)
Unrealised (gain)/loss on foreign exchange	-	(6,180)	-	-
Expense on financial assets and other financial liabilities at amortised costs:				
Realised loss on foreign exchange	19,303	-	577	-
Unrealised loss on foreign exchange	14,254	-	-	-
Inventories written off	10,373	21,295	10,373	4,793
Inventories written down	-	40,984	-	-
Impairment on goodwill	-	916,574	-	-
Impairment loss on investment in a subsidiary	-	-	-	33,392,000
Property, plant and equipment written off	460	-	-	-
Operating lease expenses:				
rental of premises/hostel**	68,400	55,200	-	23,040
rental of office equipment**/+	19,744	23,096	10,544	14,071
rental of machinery+	198,000	522,492	198,000	522,492
rental of factory**	-	-	561,936	580,320
Dividend income from a subsidiary company	-	-	-	(9,984,000)
Income/expense on loans and receivables:				
loss allowance for impairment of receivables	16,596	45,437	-	30,655
Reversal of loss allowance for impairment of receivables	-	(17,416)	-	-
Bad debts written off	-	11,916	-	-
Interest income from fixed deposits	-	(56,501)	-	(35,257)
Income on financial assets at amortised cost:				
Reversal of loss allowance for impairment of receivables	(34,655)		(30,655)	-
Interest income from fixed deposits	(65,364)	-	(26,319)	-

7. LOSS BEFORE TAXATION (continued)

	GROUP		COMPANY	
	2019 RM	2018 RM	2019 RM	2018 RM
Operating lease rental income from premises#	(122,384)	(97,272)	-	-
Gain on disposal of property, plant and equipment	(968,992)	-	(13,830)	-
Staff cost*	9,746,233	10,811,094	3,684,794	3,736,184

* Included in staff costs and directors' other emoluments of the Group and of the Company are amounts of RM1,036,430 and RM531,775 (2018: RM1,122,390 and RM506,947) respectively contributed to the Employees Provident Fund.

** Included in these operating lease expenses are cancellable operating leases whereby no notice to three months' termination notice is required or deposit forfeited for termination of these agreements.

\+ Included in these operating lease expenses are non-cancellable operating leases and the lease commitments are disclosed in Note 31.

\# This is a cancellable operating lease where the tenant needs to give one month' notice for termination of this agreement.

8. TAXATION

		GROUP		COMPANY	
		2019 RM	2018 RM	2019 RM	2018 RM
(a)	Current Malaysian taxation	72,732	243,746	-	-
	Deferred taxation (Note 22)	(57,894)	(20,465)	-	(68,000)
		14,838	223,281	-	(68,000)
	(Over)/under provision of taxation in prior year	(18,549)	(64,637)	-	2,804
		(3,711)	158,644	-	(65,196)

There is no provision for taxation in the Company for the current and prior year as there is no chargeable income for these years under review.

(b) Reconciliation of tax expense and accounting loss:

	GROUP		COMPANY	
	2019 RM	2018 RM	2019 RM	2018 RM
Accounting loss	(2,895,953)	(2,247,450)	(821,510)	(23,823,779)
Tax at the applicable tax rate	(695,028)	(539,388)	(197,162)	(5,717,707)
Tax effect of expenses that are not deductible in determining taxable profit	373,564	585,713	66,913	8,041,644
Tax effect of income that are not included in determining taxable profit	-	-	-	(2,396,160)

8. TAXATION (continued)

Movement from unrecognised deferred tax asset	410,468	212,941	130,249	4,335
Under/(Over)provision of deferred tax liabilities in prior year	1,043	(12,757)	-	(112)
Realisation of deferred tax on revaluation of leasehold land and building	(75,209)	(23,228)	-	-
Current tax expense	14,838	223,281	-	(68,000)

The corporate tax rate is at 24% for current year (2018: 24% or less subject to fulfilling certain criteria. Consequently deferred tax assets in Note 22 are measured using this tax rate.

(c) The Company is able to distribute dividends from all its retained profits as at year-end.

(d) The Company has unabsorbed capital allowances and unutilised tax losses of approximately RM928,460 (2018: RM399,412) available for set-off against future taxable income.

9. EARNINGS PER SHARE

a) Basic earnings per share

The basic earnings per share is calculated based on the consolidated loss for the year attributable to owners of the parent of RM2,907,702 (2018: RM2,640,137) and the weighted average of 41,000,000 (2018: 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 loss for the year attributable to owners of the parent of RM2,907,702 (2018: RM2,640,137) and the weighted average of 41,000,000 (2018: 41,000,000) ordinary shares issued and paid up during the financial year.

10. PROPERTY, PLANT AND EQUIPMENT

	Long term leasehold lands RM	Long term leasehold buildings RM	Short term leasehold lands RM	Short term leasehold buildings RM	Motor vehicles RM	Furniture, fittings, equipment and renovations RM	Plant and machinery RM	Total RM
GROUP								
2019								
At cost								
At 1 April 2018	18,800,000	10,368,000	1,150,000	3,200,000	1,316,354	5,529,442	43,598,628	83,962,424
Additions	-	-	-	-	-	262,097	43,421	305,518
Disposal	-	-	-	-	(111,821)	(45,838)	(4,710,877)	(4,868,536)
Written off	-	-	-	-	-	(417,068)	(1,214,188)	(1,631,256)
At 31 March 2019	18,800,000	10,368,000	1,150,000	3,200,000	1,204,533	5,328,633	37,716,984	77,768,150
Accumulated depreciation								
At 1 April 2018	2,184,792	1,198,545	668,300	1,839,017	1,150,706	4,800,305	40,334,064	52,175,729
Charge for the year	218,605	120,559	66,830	184,967	63,016	263,251	623,004	1,540,232
Disposal	-	-	-	-	(111,821)	(35,282)	(4,231,003)	(4,378,106)
Written off	-	-	-	-	-	(416,608)	(1,214,188)	(1,630,796)
At 31 March 2019	2,403,397	1,319,104	735,130	2,023,984	1,101,901	4,611,666	35,511,877	47,707,059
Net book value								
At 31 March 2019	16,396,603	9,048,896	414,870	1,176,016	102,632	716,967	2,205,107	30,061,091

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Long term leasehold lands RM	Long term leasehold buildings RM	Short term leasehold lands RM	Short term leasehold buildings RM	Motor vehicles RM	Furniture, fittings, equipment and renovations RM	Plant and machinery RM	Total RM
GROUP								
2018								
At cost								
At 1 April 2017	18,800,000	10,368,000	1,150,000	3,200,000	1,316,354	5,467,156	44,329,477	84,630,987
Additions	-	-	-	-	-	75,757	304,349	380,106
Written off	-	-	-	-	-	(13,471)	(1,035,198)	(1,048,669)
At 31 March 2018	18,800,000	10,368,000	1,150,000	3,200,000	1,316,354	5,529,442	43,598,628	83,962,424
Accumulated depreciation								
At 1 April 2017	1,966,187	1,077,985	601,470	1,654,050	1,066,399	4,492,081	40,713,850	51,572,022
Charge for the year	218,605	120,560	66,830	184,967	84,307	321,695	655,412	1,652,376
Written off	-	-	-	-	-	(13,471)	(1,035,198)	(1,048,669)
At 31 March 2018	2,184,792	1,198,545	668,300	1,839,017	1,150,706	4,800,305	40,334,064	52,175,729
Net book value								
At 31 March 2018	16,615,208	9,169,455	481,700	1,360,983	165,648	729,137	3,264,564	31,78,695

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Plant and machinery RM	Furniture, fittings, equipment and renovations RM	Motor vehicles RM	Total RM
COMPANY				
2019				
At cost				
At 1 April 2018	19,001,209	1,398,314	393,721	20,793,244
Additions	21,470	44,914	-	66,384
Written off	(116,146)	(132,587)	-	(248,733)
Disposal	-	-	(111,821)	(111,821)
At 31 March 2019	18,906,533	1,310,641	281,900	20,499,074
Accumulated depreciation				
At 1 April 2018	18,604,444	1,107,554	295,447	20,007,445
Charge for the year	58,747	94,745	40,558	194,050
Written off	(116,146)	(132,587)	-	(248,733)
Disposal	-	-	(111,821)	(111,821)
At 31 March 2019	18,547,045	1,069,712	224,184	19,840,941
Net book value				
At 31 March 2019	359,488	240,929	57,716	658,133

	Plant and machinery RM	Furniture, fittings, equipment and renovations RM	Motor vehicles RM	Total RM
COMPANY				
2018				
At cost				
At 1 April 2017	19,904,057	1,372,818	393,721	21,670,596
Additions	132,350	33,372	-	165,722
Written off	(1,035,198)	(7,876)	-	(1,043,074)
At 31 March 2018	19,001,209	1,398,314	393,721	20,793,244
Accumulated depreciation				
At 1 April 2017	19,568,919	1,046,007	254,889	20,869,815
Charge for the year	70,723	69,423	40,558	180,704
Written off	(1,035,198)	(7,876)	-	(1,043,074)
At 31 March 2018	18,604,444	1,107,554	295,447	20,007,445
Net book value				
At 31 March 2018	396,765	290,760	98,274	785,799

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	GROUP Net book value		COMPANY Net book value	
	2019 RM	2018 RM	2019 RM	2018 RM
Certain property, plant and equipment have been pledged with the licensed banks for facilities granted as disclosed in Note 21, 27 and 30	1,590,886	1,842,683	-	-
Property, plant and equipment acquired under hire purchase contracts	774,348	1,908,382	34,316	98,274

11. SUBSIDIARY COMPANIES

	COMPANY	
	2019 RM	2018 RM
Shares in unquoted corporations at cost	84,439,970	84,439,970
Impairment loss	(33,392,000)	(33,392,000)
	51,047,970	51,047,970

The subsidiary companies which were incorporated in Malaysia are:

Name of company	Principal activities	Percentage of issued share capital held by the Company 2019	2018
Compu-Aids (M) Sdn. Bhd.	Dormant company.	100%	100%
CFM Security Printing 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%
Contipak Noron Sendirian Berhad	Printing and supplying of flexible packaging.	100%	100%
CFM Printing & Stationery Sdn. Bhd. and its subsidiary company:	Printing and supplying of exercise books and commercial printing. During the year ended 2019, cessation of printing and supplying of excercise books.	100%	100%
CST Manufacturing Sdn Bhd	Dormant company.	100%	100%
Chip Seng Trading (Holdings) Sdn. Bhd. and its subsidiary companies:	Investment holding company.	100%	100%
Aktif Samudera Sdn. Bhd.	Dormant company.	100%	100%
CFM Development Sdn. Bhd.	Property management.	100%	100%
CFM Magnetic Ticket Sdn. Bhd.	Dormant company.	100%	100%

* Not audited by PCCO PLT.

12. GOODWILL ON CONSOLIDATION

	GROUP	
	2019	2018
	RM	RM
At 1 April	1,309,392	1,309,392
Impairment loss	(916,574)	(916,574)
At 31 March	392,818	392,818

Impairment testing for goodwill on consolidation

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

The carrying amount of goodwill as at 31 March 2019 is allocated to the manufacturing unit in 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 the unit 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; and

ii)

	Contipak Noron Sdn. Bhd.	
	2019	2018
Revenue (% of annual growth rate)	3%	3%
Gross margin (% of revenue)	7.3% - 9.34%	8.3% - 8.7%
Pre-tax discount rate	7.10%	5.3%

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 would not have any significant difference to the recoverable amount.

13. INVENTORIES

	GROUP		COMPANY	
	2019	2018	2019	2018
	RM	RM	RM	RM
At lower of cost and net realisable values:				
Raw materials and consumables	6,505,321	6,996,430	2,754,603	2,877,176
Raw materials-in-transit	184,459	194,166	-	-
	6,689,780	7,190,596	2,754,603	2,877,176
Work-in-progress	1,797,891	2,890,132	782,033	686,009
Finished goods	1,073,776	1,233,061	391,120	541,692
	9,561,447	11,313,789	3,927,756	4,104,877

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.

14. AMOUNTS DUE FROM SUBSIDIARY COMPANIES

	COMPANY 2019 RM	COMPANY 2018 RM
Amounts due from subsidiary companies		
- trade accounts	56,675	54,293
- current accounts	18,895,186	19,682,762
	18,951,861	19,737,055

Trade amounts due from subsidiary companies are non-interest bearing and are generally on 30 days (2018: 30 days) credit terms.

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

15. TRADE RECEIVABLES

	GROUP 2019 RM	GROUP 2018 RM	COMPANY 2019 RM	COMPANY 2018 RM
Trade receivables	9,081,318	13,195,977	2,273,668	2,738,993
Loss allowance for impairment	(393,065)	(411,124)	(78,061)	(108,716)
	8,688,253	12,784,853	2,195,607	2,630,277

Trade receivables of the Group and of the Company are non-interest bearing and are generally on 14 to 120 days and 14 to 90 days (2018: 14 to 90 days and 30 to 90 days) credit terms respectively.

The currency exposure profile of trade receivables is as follows:

	GROUP RM	COMPANY RM
2019		
Ringgit Malaysia	8,822,880	2,273,668
US Dollar	258,438	-
	9,081,318	2,273,668
2018		
Ringgit Malaysia	12,774,489	2,738,993
US Dollar	421,488	-
	13,195,977	2,738,993

15. TRADE RECEIVABLES (CONTINUED)

Loss allowance

	GROUP		COMPANY	
	2019 RM	**2018 RM**	**2019 RM**	**2018 RM**
Opening loss allowance as at 31 March - MFRS 139	411,124	383,103	108,716	78,061
Amounts restated through opening retained profits	-	-	-	-
Opening loss allowance as at 1 April 2018-MFRS 9	411,124	383,103	108,716	78,061
Increase in loss allowance	16,596	45,437	-	30,655
Reversal of unused amount	(34,655)	(17,416)	(30,655)	-
At 31 March	393,065	411,124	78,061	108,716

16. OTHER RECEIVABLES

	GROUP		COMPANY	
	2019 RM	**2018 RM**	**2019 RM**	**2018 RM**
Other receivables	116,759	63,320	9,232	692
GST receivables	116,244	16,621	116,244	-
Deposits	554,982	505,722	152,730	220,300
Prepayments	682,877	749,385	196,509	135,367
	1,470,862	1,335,048	474,715	356,359

Other receivables of the Group and of the Company are non-interest bearing and range from repayable upon demand to 30 days and 80 days (2018: on demand to 30 days and 30 days credit terms respectively).

17. FIXED DEPOSITS WITH LICENSED BANKS

Fixed deposits are made for periods of one to twelve months for the Group and the Company and earn interests at respective short term deposits rates.

Included in the Group's and Company's fixed deposits are amounts of RM1,095,079 (2018: RM1,487,891) and RM925,079 (2018: RM1,072,891) pledged with licensed banks to secure bank facilities as disclosed in Note 27 and 30.

18. CASH AND BANK BALANCES

	GROUP		COMPANY	
	2019 RM	2018 RM	2019 RM	2018 RM
Cash in hand	15,603	17,000	3,599	5,000
Bank balances	4,598,054	5,941,634	544,903	543,581
	4,613,657	5,958,634	548,502	548,581

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

	GROUP		COMPANY	
	2019 RM	2018 RM	2019 RM	2018 RM
Ringgit Malaysia	4,597,712	5,789,044	548,502	548,581
US Dollar	15,945	169,590	-	-
	4,613,657	5,958,634	548,502	548,581

19. SHARE CAPITAL

	GROUP AND COMPANY			
	2019 No. of Shares	RM	2018 No. of Shares	RM
Ordinary shares				
Issued and fully paid up	41,000,000	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.

20. HIRE PURCHASE PAYABLES

	GROUP		COMPANY	
	2019 RM	2018 RM	2019 RM	2018 RM
Minimum lease payments:				
Within one year	131,177	477,749	18,336	27,546
Two to five years	63,132	192,781	27,492	44,300
	194,309	670,530	45,828	71,846
Less: Future finance charges	(9,187)	(34,717)	(3,727)	(7,039)
Present value	185,122	635,813	42,101	64,807
Repayments due:				
Within one year	125,117	452,125	15,979	24,140
Two to five years	60,005	183,688	26,122	40,667
	185,122	635,813	42,101	64,807
Effective interest rate	4.94% - 5.20%	3.30% - 5.20%	5.20%	4.25% - 5.20%

21. TERM LOAN

	GROUP	
	2019 RM	2018 RM
Secured		
Term loan at 1% above the bank's base lending rate repayable by 60 monthly installment of RM78,453 each	1,173,096	1,993,673
Repayments due:		
Within one year	878,556	811,260
Two to five years	294,540	1,182,413
	1,173,096	1,993,673

The term loan is secured as follows:

i) third party open charge over the leasehold properties of the Group;
ii) facilities agreement; and
iii) corporate guarantee from the Company.

22. DEFERRED TAXATION

	GROUP		COMPANY	
	2019 RM	2018 RM	2019 RM	2018 RM
At 1 April	2,028,233	2,048,698	-	68,000
Deferred tax expense arising from and reversal of temporary differences	(58,937)	(7,708)	-	(67,888)
Under/(over) provision of deferred tax liabilities in prior year	1,043	(12,757)	-	(112)
Transferred (to)/from profit or loss (Note 8)	(57,894)	(20,465)	-	(68,000)
At 31 March	1,970,339	2,028,233	-	-

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

	GROUP		COMPANY	
	2019 RM	2018 RM	2019 RM	2018 RM
Deferred tax liabilities:				
- Capital allowances in excess of depreciation	566,989	492,318	-	28,510
- Revaluation surplus of leasehold building	1,667,371	1,742,582	-	-
- Unrealised gain on foreign exchange	-	1,422	-	-
- Others	-	61	-	-
Deferred tax assets:				
- Unused tax losses	(260,600)	(208,150)	-	(28,510)
- Unrealised loss on foreign exchange	(3,421)	-	-	-
	1,970,339	2,028,233	-	-

The amounts of deferred tax assets that are not recognised in the statement of financial position is as follows:

	GROUP		COMPANY	
	2019 RM	2018 RM	2019 RM	2018 RM
Unused tax losses	734,977	263,506	130,846	4,336
Unabsorbed capital allowance	8,501	-	8,501	-
	743,478	263,506	139,347	4,336

23. AMOUNTS DUE TO SUBSIDIARY COMPANIES

	COMPANY	
	2019	2018
	RM	RM
Amounts due to subsidiary companies		
- trade accounts	165,248	203,473
- current accounts	25,271,805	24,566,163
	25,437,053	24,769,636

The trade amounts due to subsidiary companies are non-interest bearing and are normally settled on 30 (2018: 30) days credit terms.

The current accounts due to subsidiary companies are unsecured, non-interest bearing, and repayable upon demand.

24. TRADE PAYABLES

	GROUP		COMPANY	
	2019	2018	2019	2018
	RM	RM	RM	RM
Trade payables	2,380,453	3,198,515	178,948	621,357

The currency exposure profile is as follows:

	GROUP	COMPANY
	Trade payables RM	Trade payables RM
2019		
Ringgit Malaysia	2,327,603	178,948
US Dollar	52,850	-
	2,380,453	178,948
2018		
Ringgit Malaysia	2,990,797	621,357
Singapore Dollar	3,836	-
US Dollar	203,882	-
	3,198,515	621,357

Trade payables of the Group and the Company are non-interest bearing and are normally settled on 30 to 90 days and 30 to 90 days (2018: 30 to 90 days and 30 to 90 days) terms.

25. OTHER PAYABLES

	GROUP		COMPANY	
	2019 RM	2018 RM	2019 RM	2018 RM
Other payables	451,498	1,145,414	79,515	223,370
Goods and services tax (GST) payable	-	48,234	-	37,672
Sales and services tax (SST) payable	129,418	-	17,152	-
Accruals	365,375	802,123	178,158	88,521
Deposit	363,981	363,981	-	-
	1,310,272	2,359,752	274,825	349,563

Other payables of the Group and the Company are non-interest bearing and are normally settled on 30 to 90 days and 30 days (2018: 30 to 90 days and 30 days) credit terms respectively.

26. AMOUNTS DUE TO A DIRECTOR

The amounts due to a director is unsecured, non-interest bearing and repayable on demand.

27. SHORT TERM BORROWINGS

	GROUP		COMPANY	
	2019 RM	2018 RM	2019 RM	2018 RM
Bank overdrafts	2,608,765	2,722,932	595,822	612,725
Bankers' acceptances	3,443,000	3,058,000	1,548,000	2,518,000
	6,051,765	5,780,932	2,143,822	3,130,725

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) fixed charge over certain subsidiary companies' leasehold properties;
iv) all monies debenture over certain subsidiary companies' fixed and floating assets;
v) third party open charges over the properties of the Group;
vi) facilities agreement;
vii) pledge of fixed deposits of the Group and of the Company;
viii) letter of undertaking from the Company; and
ix) corporate guarantee from the Company.

Interest for bank overdrafts for the Group and the Company are charged at between 0% to 1.75% and 1% to 1.75% (2018: 0% to 1.75% and 1% to 1.75%) per annum above banks' base lending rate respectively.

Interest for bankers' acceptances for Group and Company are charged at between 4.69% to 5.30% and 4.69% (2018: 4.35% to 5.30% and 4.35% to 4.93%) per annum respectively.

28. SIGNIFICANT RELATED PARTY TRANSACTIONS

	COMPANY	
	2018	2017
	RM	RM
Subsidiary companies:		
Sales of finished goods	(707,266)	(689,170)
Purchases of raw materials	76,619	160,505
Postage	95,811	147,613
Rental of premises	561,936	603,360
Dividend income	-	(9,984,000)
Purchase of property, plant and equipment	14,961	-

29. COMPENSATION OF KEY MANAGEMENT PERSONNEL

The key management personnel having authority and responsibility for planning, directing and controlling the financial and operating policies of the Group and of the Company either directly or indirectly.

	GROUP		COMPANY	
	2019	2018	2019	2018
Directors:	RM	RM	RM	RM
Short term employees' benefits	993,799	1,073,600	993,799	1,031,650

30. CONTINGENT LIABILITIES

	GROUP		COMPANY	
	2019	2018	2019	2018
	RM	RM	RM	RM
Secured				
Bank guarantees given to third parties	316,276	329,526	143,276	140,776
Unsecured				
Bank guarantees given to third parties	5,250	-	-	-
Unsecured				
Corporate guarantees given to licensed bank for facilities granted to subsidiary companies	-	-	8,098,439	8,098,439
	321,526	329,526	8,241,715	8,239,215

30. CONTINGENT LIABILITIES (continued)

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) fixed charge over certain subsidiary companies' leasehold properties;
iv) all monies debenture over certain subsidiary companies' fixed and floating assets;
v) third party open second charges over the properties of the Group;
vi) letter of undertaking from the Company;
vii) corporate guarantee from the Company;
viii) facilities agreement; and
ix) pledge of fixed deposits of the Group and of the Company.

31. LEASE COMMITMENTS

The future minimum lease payments payable under non cancellable operating leases for rental of machinery and office equipment are as follows:

	GROUP		COMPANY	
	2019 RM	2018 RM	2019 RM	2018 RM
Within one year	233,972	18,024	168,600	6,492
Between two to five years	67,913	5,579	58,020	840
	301,885	23,603	226,620	7,332

32. SEGMENT REPORTING

(a) Business Segments:

The Group comprises the following main business segments:

(i) Business forms and data print services;
(ii) Commercial printing;
(iii) Flexible packaging; and
(iv) Business of property management.

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.

32. SEGMENT REPORTING (continued)

	Business Forms and Data Print Services 2019 RM	Business Forms and Data Print Services 2018 RM	Commercial Printing 2019 RM	Commercial Printing 2018 RM	Flexible Packaging 2019 RM	Flexible Packaging 2018 RM	Business Property Management 2019 RM	Business Property Management 2018 RM	Adjustments/ eliminations 2019 RM	Adjustments/ eliminations 2018 RM	Notes	Consolidated 2019 RM	Consolidated 2018 RM
(a) Business segments													
Revenue:													
External customers	16,125,940	19,398,781	2,570,309	8,537,610	16,246,605	17,002,614	21,000	-	-	-		34,963,854	44,939,005
Inter-segment	69,103	41,554	30,423	105,057	8,100	67,154	1,359,786	1,439,820	(1,467,412)	(1,653,585)	A	-	-
Total revenue	16,195,043	19,440,335	2,600,732	8,642,667	16,254,705	17,069,768	1,380,786	1,439,820	(1,467,412)	(1,653,585)		34,963,854	44,939,005
Results													
Interest income	(26,319)	(35,257)	(37,436)	(15,291)	(1,609)	(5,953)	-	-	-	-		(65,364)	(56,501)
Interest expense	120,150	118,442	6,000	7,499	359,607	313,506	-	-	-	-		485,757	439,447
Depreciation	295,614	314,048	490,481	494,199	347,525	347,850	848,202	848,202	-	-		1,540,232	1,652,376
Material non-cash expenses/ (income)	(20,282)	35,448	12,596	42,298	-	12,554	-	-	-	-	B	(7,686)	90,300
Segment loss	(786,373)	(23,226,666)	(1,368,623)	(998,940)	(737,340)	(281,506)	(417,720)	(669,987)	417,814	22,771,005	C	(2,892,242)	(2,406,094)
Total segment assets	85,157,879	87,136,209	8,372,918	10,003,746	58,601,971	60,679,855	64,470,117	65,170,611	(154,697,945)	(155,267,126)	D	61,904,940	67,723,295
Assets													
Additions to non-current assets – property, plant and equipment	288,298	337,267	-	15,228	17,220	27,611	-	-	-	-		305,518	380,106

32. SEGMENT REPORTING (continued)

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

A) Inter-segment transactions are eliminated on consolidation.

B) Other material non-cash expenses/(income) consist of the following items:

	GROUP	
	2019 **RM**	**2018** **RM**
Loss allowance for impairment of receivables	16,596	45,437
Reversal of loss allowance for impairment of receivables	(34,655)	(17,416)
Inventories written off	10,373	21,295
Inventories written down	-	40,984
	(7,686)	90,300

C) Reconciliation of total reportable segments' loss to the Group's loss for the year:

	GROUP	
	2019 **RM**	**2018** **RM**
Result of non-reportable segment	(23,776)	(20,364)
Inter-segment elimination	441,590	22,791,369
	417,814	22,771,005

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

	GROUP	
	2019 **RM**	**2018** **RM**
Investment in subsidiaries	(49,927,972)	(49,927,972)
Non-reportable segments	45,287,358	45,534,278
Inter-segment balance	(150,057,331)	(150,873,432)
	(154,697,945)	(155,267,126)

Geographical information

	GROUP	
	2019 **RM**	**2018** **RM**
The Group's revenue from external customers by location of customers:		
Malaysia	31,244,200	40,066,601
Indonesia	3,719,654	4,872,404
	34,963,854	44,939,005

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

Information about major customers

Revenue from a major customer amounting to RM3,719,654 (2018: RM4,872,404) arose from the flexible packaging segment.

33. SIGNIFICANT CHANGES IN ACCOUNTING POLICIES

In accordance with the transitional provisions for MFRS 9 - Financial Instruments, the Group and the Company has applied the accounting standard retrospectively but has elected not to restate the comparatives with respect to classification and measurement (including impairment) requirements.

On 1 April 2018, the Group and the Company assessed which business models apply to the financial assets and classified it accordingly. The impact on the carrying amounts of financial assets and retained profits resulting from the adoption of MFRS 9 as at 1 April 2018 is as follows.

	31 March 2018 - MFRS 139 RM	Effect on adoption of MFRS9 RM	1 April 2018 - MFRS 9 RM
GROUP			
Financial assets			
Reclassify from loans and receivables to amortised cost			
- Trade and other receivables	12,784,853	-	12,784,853
- Other receivables excluding prepayments and certain deposits	520,902	-	520,902
- Cash and bank balances	5,958,634	-	5,958,634
- Fixed deposits with a licensed bank	3,362,891	-	3,362,891
COMPANY			
Financial assets			
Reclassify from loans and receivables to amortised cost			
- Amount due from subsidiary company	19,737,055	-	19,737,055
- Trade receivables	2,630,277	-	2,630,277
- Other receivables excluding prepayments and certain deposits	172,852	-	172,852
- Fixed deposits with a licensed bank	1,072,891	-	1,072,891
- Cash and bank balances	548,581	-	548,581

The Group and the Company applied the simplified approach for trade receivables which the expected lifetime losses to be recognised from initial recognition of the receivables.

The Group and the Company also applied the 12 months expected credit losses to other receivables, deposits, fixed deposits and cash and bank balances. There is no impact on the financial statements since they are considered low credit risks especially for deposits placed with reputable licensed bank.

In accordance with the transitional provision for MFRS 15 – Revenue from Contracts with Customers, the Group and the Company applied the accounting standard retrospectively where revenue is recognised when the control of goods and services are transferred. There is no impact on the financial statements arising from the adoption of MFRS 15.

34. COMPARATIVE FIGURES

Certain comparative figures of the Company have been reclassified to conform with the current year's presentation.

ANALYSIS OF SHAREHOLDINGS

as at 28 June 2019

A. SHARE CAPITAL

Total Number of Issued Shares	:	41,000,000 Ordinary Shares
Voting Rights	:	One vote for each ordinary share held

B. DISTRIBUTION OF SHAREHOLDINGS

Holdings	No. of Holders	Total Holdings	% of Holdings
Less than 100	28	1,150	0.00
100 - 1,000	68	46,300	0.11
1,001 - 10,000	521	2,000,758	4.88
10,001 - 100,000	63	1,685,800	4.11
100,001 - less than 5% of issued shares	11	10,628,700	25.93
5% and above of issued shares	1	26,637,292	64.97
	692	**41,000,000**	**100.00**

C. SUBSTANTIAL SHAREHOLDER

	Direct Interest	
Name of Shareholder	No. of Shares	% of Holdings
Tan Sri Dato' Tan Hua Choon	26,637,292	64.97

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.

ANALYSIS OF SHAREHOLDINGS

as at 28 June 2019

E. THIRTY LARGEST REGISTERED SHAREHOLDERS

Name of Shareholders	No. of Shares	% of Holdings
1. Tan Sri Dato' Tan Hua Choon	26,637,292	64.97
2. Chew Huat Heng	2,012,800	4.91
3. Ong Har Hong	1,998,000	4.87
4. Maybank Securities Nominees (Tempatan) Sdn Bhd		
- Pledged Securities Account for Lim Eng Huat	1,968,900	4.80
5. Neoh Poh Lan	1,924,300	4.69
6. Ong Wee Lieh	1,210,500	2.95
7. Wong Chee Choon	646,100	1.58
8. Tan Siew Yeong	227,500	0.55
9. Tan Lian Hong	222,500	0.54
10. Tan Seng Teong Sdn Bhd	155,600	0.38
11. Haliza Binti Abdullah	137,500	0.34
12. AMSEC Nominees (Asing) Sdn Bhd		
- KGI Securities (Singapore) Pte. Ltd. for Tan Kay Toh	125,000	0.30
13. Teh Liang Teik	92,500	0.23
14. Ewe Thuan Ho	87,500	0.21
15. Lee Keng Fah	85,700	0.21
16. Citigroup Nominees (Tempatan) Sdn Bhd		
- Pledged Securities Account for Raja Noraini Binti Raja Nong Chik	75,000	0.18
17. Ewe Hong Soon	67,500	0.16
18. Mohamad Abas Bin Abang	57,500	0.14
19. See Ean Seng	50,000	0.12
20. Ng Teng Song	46,500	0.11
21. Kwa Ah Hoi @ Kua Sui Eng	45,000	0.11
22. Maybank Nominees (Tempatan) Sdn Bhd		
- Pledged Securities Account for Goh Mook Ching	38,500	0.09
23. Maybank Securities Nominees (Tempatan) Sdn Bhd		
- Pledged Securities Account for Tee Yeow	38,000	0.09
24. Citigroup Nominees (Tempatan) Sdn Bhd		
- Pledged Securities Account for Chong Chin Chang	37,500	0.09
25. Tan Tuan Shee	36,500	0.09
26. Tan Chin Seik	32,500	0.08
27. Tan Siew Seng @ Chan Sow Seng	32,500	0.08
28. Pek Hoo Chun	32,000	0.08
29. Chew Thiam Chye	30,000	0.07
30. Kek Sang Choo @ Koay Joo Chiang	30,000	0.07

LIST OF GROUP PROPERTIES

as at 31 March 2019

	Location	Land Area (Sq. metres)	Description/ Existing use	Tenure/ Approximate Age of building	Net Book Value as at 31.3.2019 (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 / 41 years (expiring on 10.11.2093)	7,849,034	31.03.2008
2.	Lot 1, Jalan Usahawan 5 PKNS Setapak Industrial Area Kuala Lumpur	21,925	Industrial Land and Factory Building	Leasehold / 23 years (expiring on 09.11.2093)	17,596,466	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 / 55 years [expiring on 03.11.2020 (Lot 13) & 04.03.2025 (Lot 14)]	1,094,117	31.03.2008
4.	P. T. 23 HS(D) 78420 Mukim of Setapak Kuala Lumpur	823	Industrial Land and Factory Building	Leasehold / 48 years (expiring on 06.02.2026)	496,768	31.03.2008

This page has been intentionally left blank

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-Seventh 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, 12 September 2019 at 10.30 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 3		
Ordinary Resolution 4		
Special Business		
Special Resolution		

(Please indicate with an "X" in the space provided how you wish your vote to be cast for each resolution. 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 ______________________, 2019

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. 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, Boardroom Share Registrars Sdn. Bhd (formerly known as Symphony Share Registrars Sdn. Bhd.), Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, 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.

FOLD HERE

STAMP

COMPUTER FORMS (MALAYSIA) BERHAD (4423-H)

c/o Boardroom Share Registrars Sdn Bhd
(formerly known as Symphony Share Registrars Sdn Bhd)
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya, Selangor Darul Ehsan
Malaysia

FOLD HERE

2019

CFM design

Designed and Printed by
CFM Printing & Stationery Sdn. Bhd. (7533-H)
Tel : 603-4023 1066

www.cfm.com.my