



ASIA FILE CORPORATION BHD. (313192-P)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	As at end of Current Quarter 30/06/2019 (unaudited) RM'000	As at Preceding Financial Year End 31/03/2019 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	100,388	101,465
Right-of-use-assets - prepaid lease payments	1,397	1,406
Right-of-use-assets	6,722	-
Right-of-use-assets - investment properties	1,295	1,305
Intangible assets	30,669	30,743
Investment in an associate	164,675	162,201
Other Investment	6,329	5,803
	<u>311,475</u>	<u>302,923</u>
Current Assets		
Inventories	104,285	109,427
Other Investments	83,150	18,679
Trade and other receivables	64,883	68,692
Current tax assets	496	1,411
Cash and cash equivalents	119,223	177,296
	<u>372,037</u>	<u>375,505</u>
TOTAL ASSETS	<u>683,512</u>	<u>678,428</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	202,331	202,331
Treasury shares	(2)	(2)
Reserves	407,849	396,591
	<u>610,178</u>	<u>598,920</u>
Non-controlling interests	475	557
Total Equity	<u>610,653</u>	<u>599,477</u>
Non-Current Liabilities		
Lease liabilities	5,753	-
Deferred tax liabilities	10,788	10,272
	<u>16,541</u>	<u>10,272</u>
Current Liabilities		
Bank borrowings	23,573	27,553
Trade and other payables	30,723	32,676
Lease liabilities	964	-
Current tax liabilities	1,058	660
Dividend payable	-	7,790
	<u>56,318</u>	<u>68,679</u>
Total Liabilities	<u>72,859</u>	<u>78,951</u>
TOTAL EQUITY AND LIABILITIES	<u>683,512</u>	<u>678,428</u>
Net Assets Per Share (sen) (refer Note A16)	313.30	307.52

The condensed financial statement should be read in conjunction with the audited financial statements for the financial year ended 31 March 2019



ASIA FILE CORPORATION BHD. (313192-P)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THREE MONTHS PERIOD ENDED 30 JUNE 2019

	Individual Quarter			Cumulative Quarter		
	Current Quarter 30/06/2019 RM'000	Preceding year Corresponding Quarter 30/06/2018 RM'000	Changes %	Current Year to Date 30/06/2019 RM'000	Preceding year Corresponding Period 30/06/2018 RM'000	Changes %
Revenue	77,599	84,134	(7.77)	77,599	84,134	(7.77)
Operating Expenses	(68,271)	(76,205)	(10.41)	(68,271)	(76,205)	(10.41)
Other Operating Income	299	171	74.85	299	171	74.85
Profit from Operations	9,627	8,100	18.85	9,627	8,100	18.85
Finance cost	(266)	(201)	32.34	(266)	(201)	32.34
Investing Results	460	138	233.33	460	138	233.33
Shares of profit of an associate	2,315	2,441	(5.16)	2,315	2,441	(5.16)
Profit before tax	12,136	10,478	15.82	12,136	10,478	15.82
Taxation	(2,410)	(2,507)	(3.87)	(2,410)	(2,507)	(3.87)
Profit for the period	9,726	7,971	22.02	9,726	7,971	22.02
Other comprehensive income/(expense), net of tax						
Items that may be reclassified subsequently to profit or loss						
Foreign currency translation differences for foreign operations	1,357	(1,668)		1,357	(1,668)	
	1,357	(1,668)		1,357	(1,668)	
Items that will not be reclassified subsequently to profit or loss						
Share of other comprehensive income of equity-accounted associate	159	131		159	131	
Other comprehensive income/(expense) for the period, net of tax	1,516	(1,537)		1,516	(1,537)	
Total comprehensive income for the period	11,242	6,434		11,242	6,434	



ASIA FILE CORPORATION BHD. (313192-P)
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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)
FOR THREE MONTHS PERIOD ENDED 30 JUNE 2019

	Individual Quarter		Cumulative Quarter	
	Current Quarter 30/06/2019 RM'000	Preceding year Corresponding Quarter 30/06/2018 RM'000	Current Year to Date 30/06/2019 RM'000	Preceding year Corresponding Period 30/06/2018 RM'000
Profit attributable to:				
Equity holders of the Company	9,728	7,956	9,728	7,956
Non-controlling interests	(2)	15	(2)	15
Profit for the period	9,726	7,971	9,726	7,971
Total comprehensive income attributable to:				
Equity holders of the Company	11,258	6,433	11,258	6,433
Non-controlling interests	(16)	1	(16)	1
Total comprehensive income for the period	11,242	6,434	11,242	6,434
Earnings per share attributable to equity holders of the Company:	4.99	4.09	4.99	4.09

The condensed financial statement should be read in conjunction with the audited financial statements for the financial year ended 31 March 2019.



ASIA FILE CORPORATION BHD. (313192-P)
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THREE MONTHS PERIOD ENDED 30 JUNE 2019

	← Attributable to owners of the Company →			Distributable Retained Earnings RM'000	Total RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	← Non-distributable → Treasury Shares RM'000	Translation Reserve RM'000				
Quarter ended 30 June 2019							
At 1 April 2019,	202,331	(2)	9,261	387,330	598,920	557	599,477
Profit for the period	-	-	-	9,728	9,728	(2)	9,726
Other comprehensive income/(expenses) for the period	-	-	1,530	-	1,530	(14)	1,516
Total comprehensive income/(expenses) for the period	-	-	1,530	9,728	11,258	(16)	11,242
Dividend	-	-	-	-	-	(66)	(66)
At 30 June 2019	202,331	(2)	10,791	397,058	610,178	475	610,653
Year ended 31 March 2019							
At 1 April 2018,	202,331	(2)	13,799	369,386	585,514	500	586,014
Adjustment on initial application of MFRS 9, net of tax	-	-	-	(607)	(607)	-	(607)
At 1 April 2018, restated	202,331	(2)	13,799	368,779	584,907	500	585,407
Profit for the period	-	-	-	47,765	47,765	71	47,836
Other comprehensive expenses for the period	-	-	(4,538)	-	(4,538)	(14)	(4,552)
Total comprehensive expenses for the period	-	-	(4,538)	47,765	43,227	57	43,284
Dividend	-	-	-	(29,214)	(29,214)	-	(29,214)
At 31 March 2019	202,331	(2)	9,261	387,330	598,920	557	599,477

The condensed financial statement should be read in conjunction with the audited financial statements for the financial year ended 31 March 2019.



ASIA FILE CORPORATION BHD. (313192-P)
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THREE MONTHS PERIOD ENDED 30 JUNE 2019

	30-Jun-19	30-Jun-18
	RM'000	RM'000
Profit before tax	12,136	10,478
Adjustment for:		
Non-cash items	185	559
Non-operating items	(182)	(1,511)
Operating profit before changes in working capital	12,139	9,526
Changes in working capital		
Net change in current assets	9,415	(2,145)
Net change in current liabilities	(2,817)	(1,661)
Net cash from operating activities	18,737	5,720
Investing activities		
Other investments	(65,266)	(9,049)
Net cash used in investing activities	(65,266)	(9,049)
Financing activities		
Dividend paid	(7,856)	(7,790)
Bank borrowings, net	(3,935)	1,879
Interest paid	(266)	(201)
Repayment of lease liabilities	(293)	-
Net cash used in financing activities	(12,350)	(6,112)
Net change in cash & cash equivalents	(58,879)	(9,441)
Cash & cash equivalents at beginning of year	177,296	116,587
Effects of exchange rates on cash & cash equivalents	806	(442)
Cash & cash equivalent at end of year	119,223	106,704

Note

Cash and cash equivalents

Cash and cash equivalents included in the condensed consolidated cash flow statements comprise the following condensed consolidated balance sheets amounts:

	30-Jun-19	30-Jun-18
	RM'000	RM'000
Cash and bank balances	119,223	106,704

The condensed financial statement should be read in conjunction with the audited financial statements for the financial year ended 31 March 2019



ASIA FILE CORPORATION BHD. (313192-P)
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NOTES TO THE INTERIM FINANCIAL REPORT FOR THREE MONTHS PERIOD ENDED 30 JUNE 2019

A EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT - MFRS 134

A1 Basis of preparation

This condensed consolidated interim financial statements ("Condensed Report") has been prepared in accordance with MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. This Condensed Reports also complies with IAS 34: Interim Financial Reporting issued by the International Accounting Standards Board (IASB).

The Condensed Report should be read in conjunction with the audited financial statements for the year ended 31 March 2019. The explanatory notes attached to these Condensed Report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 March 2019.

The accounting policies and methods of computation adopted by the Group in this Condensed Report are consistent with the most recent annual audited financial statements for the year ended 31 March 2019 except for the adoption of the following new MFRSs, amendments to MFRSs and IC Interpretations that are effective for annual periods beginning on or after 1 January 2019, as disclosed below:

MFRS 16, Leases

IC Interpretation 23, Uncertainty Over Income Tax Treatments

Amendments to MFRS 3, Business Combinations (Annual Improvements to MFRS Standards 2015-2017 Cycle)

Amendments to MFRS 9, Financial Instruments - Prepayment Features with Negative Compensation

Amendments to MFRS 11, Joint Arrangements (Annual Improvements to MFRS Standards 2015-2017 Cycle)

Amendments to MFRS 112, Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)

Amendments to MFRS 119, Employee Benefits - Plan Amendment, Curtailment or Settlement

Amendments to MFRS 123, Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)

Amendments to MFRS 128, Investment in Associates and Joint Ventures - Long Term Interests in Associates and Joint Ventures

The adoption of the above pronouncements does not have any significant impact to the Group except for the following:

MFRS 16 Leases

The Group has adopted MFRS 16 from 1 April 2019 with any cumulative effect of initial application recognised at that date without restating the comparative information presented under MFRS 117. The impact of the initial application of MFRS 16 on statement of financial position are as follow:

	Impact of adoption of MFRS 16 to opening balance Note at 1 April 2019	
Statement of financial position		RM'000
Increase in right-of-use assets	(a)	7,010
Increase in non-current lease liabilities	(b)	5,824
Increase in current lease liabilities	(b)	1,186

Notes:

(a) The right-of-use assets are measured at cost less accumulated depreciation and impairment losses if any, and adjusted for any re-measurement of the lease liabilities.

(b) The lease liabilities are measured at present value of the lease payments that are not paid as at 1 April 2019 using its incremental borrowing rate. Subsequently, the lease liabilities are adjusted for interest and lease payment, as well as the impact of lease modifications if any.

A2 Significant Accounting Policies

At the date of authorisation of there Condensed Report, the following MFRSs, Amendment to MFRSs and IC Interpretation have been issued but are not yet effective and have not been adopted by the Group.

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2020

Amendments to MFRS 3, Business Combinations - Definition of a Business

Amendments to MFRS 101, Presentation of Financial Statements - Definition of Material

Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2021

MFRS 17, Insurance Contracts

MFRSs, Interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128, Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.



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NOTES TO THE INTERIM FINANCIAL REPORT FOR THREE MONTHS PERIOD ENDED 30 JUNE 2019

A3 Audit report of preceding annual financial statements

The audit report of the Group's annual financial statements for the financial year ended 31 March 2019 was not subject to any qualification.

A4 Seasonal or cyclical factors

The operation of the Group is not subject to any major effects of seasonality or cyclicity.

A5 Unusual items due to their Nature, Size or Incidence

There were no unusual items that have a material effect on the assets, liabilities, equity, net income or cash flow reported in the interim financial report.

A6 Material changes in accounting estimates

There were no material changes in accounting estimates of amounts reported in prior financial years.

A7 Issuance or repayment of debts and equity securities

No ordinary shares of Asia File Corporation Bhd was issued or purchased and retained as treasury shares pursuant to the Shares Buy Back Scheme during the financial quarter. A total of 500 shares were retained as treasury shares as at 30 June 2019.

There was no shares purchased and retained as treasury shares subsequent to the financial quarter ended 30 June 2019.

A8 Dividends Paid

A second interim single-tier dividend of RM0.04 per share on 194,759,060 ordinary shares of RM1 each totalling RM7,790,362.40 for the financial year ended 31 March 2019 was paid on 16 May 2019.

A9 Segment information

Business segment

The Group is principally involved in the manufacture and trading of stationery, paper products and recyclable food wares. Business segmental information has therefore not been prepared as the Group's revenue, operating profit, assets employed, liabilities, capital expenditure, depreciation and amortization as well as non-cash expenses are mainly confined to one business segment.

A10 Valuations of property, plant and equipment

The valuations of land and buildings have been brought forward without amendment from the previous annual report.

A11 Material events subsequent to the end of the quarter

There were no material events subsequent to the end of the quarter.

A12 Changes in composition of the Group

There were no changes in the composition of the Group for the quarter.

A13 Changes in contingent liabilities/assets

The total contingent liabilities as at 30 June 2019 for the Company are corporate guarantees for banking facilities granted to subsidiaries of RM 141.76 million (31 March 2019: RM140.92 million). There was also a corporate guarantee of RM10.52 million provided to a supplier of a subsidiary in UK.

A14 Capital commitments approved and contracted for

	30-Jun-2019
	RM'000
Machinery & equipment	3,032
Office Equipment	180
	3,212

A15 Intangible assets

	30-Jun-2019	31-Mar-2019
	RM'000	RM'000
Goodwill	30,235	30,235
Other intangible assets with finite life *	434	508
	30,669	30,743

* This was in relation to securing of manufacturing contract from customer. Amortisation will be charged to profit or loss over the contract period.

A16 Net assets per share (sen)

	30-Jun-2019	31-Mar-2019
Shareholders' Fund (RM'000)	610,178	598,920
Share Capital (Unit 000)	194,759	194,759
Net assets per share (sen)	313.30	307.52



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NOTES TO THE INTERIM FINANCIAL REPORT FOR THREE MONTHS PERIOD ENDED 30 JUNE 2019

B Additional information required by the Bursa Malaysia Securities Berhad's Listing Requirements

B1 Review of performance

Current Quarter

A total revenue of RM77.6 million was recorded during the quarter as compared to RM84.1 million achieved in the corresponding quarter last year. The Group's filing business experienced weaker sales from UK and Europe amidst a stagnant economic situation in the region.

Despite lower revenue, profit before tax for the June quarter improved to RM12.1 million from RM10.5 million achieved last year. Higher production efficiency and better foreign exchange movement have contributed to an improved margin for the quarter.

B2 Comparison of profit before taxation with preceding quarter

	Current Quarter	Preceding Quarter
	30-Jun-2019	31-Mar-2019
	RM'000	RM'000
Revenue	77,599	80,658
Profit from operation	9,627	9,316
Profit Before Tax	12,136	15,114

Despite an improvement in operating margin from 11.6% to 12.4%, pre tax profit dropped from RM15.1 million in the preceding quarter to RM12.1 million as a result of lower revenue and investing income (June quarter:RM0.5 million, March quarter:RM3.5 million). In addition, a lower foreign exchange gain of RM0.3 million was recorded during the quarter as compared to a gain of RM1.5 million registered in the preceding quarter.

B3 Current year prospects

The Group anticipates a challenging year ahead in view of a subdued global business sentiment. Nevertheless, the Group is confident that its operating performance will remain profitable for the financial year ending 31 March 2020.

B4 Profit forecast or profit guarantee

No profit forecast or profit guarantee was published by the Group.

B5 Tax expense

	Year to date	
	30-June	
	2019	2018
	RM'000	RM'000
Current tax expense		
- Current year	1,969	2,845
- Over provision in respect of prior year	3	26
	1,972	2,871
Deferred tax expense		
- Current year	438	(364)
	2,410	2,507

B6 Sale of unquoted investments and properties

There were no sales of unquoted investments and properties for the current quarter and financial year to date.

B7 Status of corporate proposal announced

No corporate proposal was announced by the Group.

B8 Group borrowings and debt securities

Group borrowings denominated in foreign currency:

	As at 30-Jun-19		As at 31-Mar-19	
	USD'000	RM'000	USD'000	RM'000
Unsecured Current Borrowings	5,694	23,573	6,753	27,553
	5,694		27,553	



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NOTES TO THE INTERIM FINANCIAL REPORT FOR THREE MONTHS PERIOD ENDED 30 JUNE 2019

B9 Other Investments

	As at 30-Jun-19 RM'000	As at 31-Mar-19 RM'000
Non Current Assets		
Investment in quoted shares	6,329	5,803
	6,329	5,803
Current Assets		
Fair value through profit or loss:		
Investment in dual currency structured products	66,520	-
Equity-Linked Investments	7,816	9,943
Short term funds	8,814	8,736
	83,150	18,679

B10 Changes in material litigation

There was no material litigation involving the Group as at to date.

B11 Dividends Proposed

For the financial year ended 31 March 2019, the Board of Directors has recommended a final single tier dividend of RM0.07 per share (2019:RM0.08) subject to the approval of the members at the forthcoming Annual General Meeting to be held on 27 September 2019. The dividend, if approved, will be paid on 31 October 2019.

B12 Earnings per share

	Current Quarter Ended 30-Jun-2019	Current Year To Date 30-Jun-2019
Profit attributable to equity holders of the Company (RM'000)	9,728	9,728
Weighted average number of ordinary shares (Unit 000)	194,759	194,759
Earnings per share (sen)	4.99	4.99

B13 Fair value of financial instruments

The carrying amounts of cash and cash equivalents, short term receivables and payables and short term borrowings reasonably approximate their fair values due to the relatively short term nature of these financial instruments.

The table below analyses financial instruments carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the consolidated statement of financial position. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, Unobservable inputs) (Level 3).

The table below presents the financial instruments of the Group, which are measured at fair value, classified by level of the fair value hierarchy.

	Fair value hierarchy			Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
30 June 2019				
<u>Financial assets</u>				
Investment in quoted shares	6,329	-	-	6,329
Financial assets at fair value through profit or loss	-	83,150	-	83,150
	6,329	83,150	-	89,479
	Fair value hierarchy			Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
31 March 2019				
<u>Financial assets</u>				
Investment in quoted shares	5,803	-	-	5,803
Financial assets at fair value through profit or loss	-	18,679	-	18,679
	5,803	18,679	-	24,482



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NOTES TO THE INTERIM FINANCIAL REPORT FOR THREE MONTHS PERIOD ENDED 30 JUNE 2019

B14 Notes to the Condensed Consolidated Statement of Comprehensive Income

Profit before tax is arrived at after (charging) / crediting the following items:

	Current Quarter Ended 30-Jun-19 RM'000	Current Year To Date 30-Jun-19 RM'000
a) interest income	447	447
b) other income including investment income	312	312
c) interest expense	(266)	(266)
d) depreciation and amortisation	(2,545)	(2,545)
e) provision for and write off trade receivables	(42)	(42)
f) foreign exchange gain	338	338

B15 The condensed consolidated interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors.
