



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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

	31.03.20	31.03.19
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	99,415	101,465
Prepaid lease payments	-	1,406
Investment properties	1,263	1,305
Right-of-use assets	7,383	-
Intangible assets	30,410	30,743
Investment in an associate	168,252	162,201
Other investments	-	5,803
	306,723	302,923
Current Assets		
Inventories	94,832	109,427
Other investments	7,691	18,679
Trade and other receivables	57,180	68,692
Current tax assets	419	1,411
Cash and cash equivalents	230,120	177,296
	390,242	375,505
TOTAL ASSETS	696,965	678,428
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	202,331	202,331
Treasury shares	(2)	(2)
Reserves	423,802	396,591
	626,131	598,920
Non-controlling interests	504	557
Total Equity	626,635	599,477
Non-Current Liabilities		
Lease liabilities	5,422	-
Deferred tax liabilities	11,725	10,272
	17,147	10,272
Current Liabilities		
Bank borrowings	24,748	27,553
Trade and other payables	26,317	32,676
Lease liabilities	564	-
Current tax liabilities	1,554	660
Dividend payable	-	7,790
	53,183	68,679
Total Liabilities	70,330	78,951
TOTAL EQUITY AND LIABILITIES	696,965	678,428
Net assets per share (sen)	(Refer Note A16)	321.49
		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)
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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020**

	3 Months Ended		Year Ended	
	31.03.20 RM'000	31.03.19 RM'000	31.03.20 RM'000	31.03.19 RM'000
Revenue	70,675	80,658	293,370	327,788
Operating expenses	(64,672)	(71,434)	(265,365)	(293,169)
Other operating income	128	92	2,496	1,210
Profit from operations	6,131	9,316	30,501	35,829
Finance cost	(176)	(249)	(864)	(945)
Investing results	344	3,490	6,071	3,699
Share of profit of an associate	3,629	2,557	9,000	15,984
Profit before tax	9,928	15,114	44,708	54,567
Taxation	(1,289)	(1,745)	(7,843)	(6,731)
Profit for the period	8,639	13,369	36,865	47,836
Other comprehensive income/(expense), net of tax				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operations	3,763	(2,319)	4,191	(4,612)
Items that will not be reclassified subsequently to profit or loss				
Share of other comprehensive (expenses)/income of equity-accounted associate	(167)	(102)	(199)	60
Other comprehensive income/(expense) for the period, net of tax	3,596	(2,421)	3,992	(4,552)
Total comprehensive income for the period	12,235	10,948	40,857	43,284



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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020

	3 Months Ended		Year Ended	
	31.03.20 RM'000	31.03.19 RM'000	31.03.20 RM'000	31.03.19 RM'000
Profit attributable to:				
Equity holders of the Company	8,653	13,367	36,859	47,765
Non-controlling interests	(14)	2	6	71
Profit for the period	<u>8,639</u>	<u>13,369</u>	<u>36,865</u>	<u>47,836</u>
Total comprehensive income attributable to:				
Equity holders of the Company	12,247	10,934	40,844	43,227
Non-controlling interests	(12)	14	13	57
Total comprehensive income for the period	<u>12,235</u>	<u>10,948</u>	<u>40,857</u>	<u>43,284</u>
Earning per share attributable to equity holders of the Company	4.44	6.86	18.93	24.53

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



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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR YEAR ENDED 31 MARCH 2020

	← Attributable to owners of the Company →			Distributable	Total	Non-Controlling	Total Equity
	Share Capital	Treasury Shares	Translation Reserve				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Year ended 31 March 2020							
At 1 April 2019	202,331	(2)	9,261	387,330	598,920	557	599,477
Profit for the year	-	-	-	36,859	36,859	6	36,865
Other comprehensive income for the year	-	-	3,985	-	3,985	7	3,992
Total comprehensive income for the year	-	-	3,985	36,859	40,844	13	40,857
Dividend	-	-	-	(13,633)	(13,633)	(66)	(13,699)
At 31 March 2020	202,331	(2)	13,246	410,556	626,131	504	626,635
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 year	-	-	-	47,765	47,765	71	47,836
Other comprehensive income for the year	-	-	(4,538)	-	(4,538)	(14)	(4,552)
Total comprehensive income for the year	-	-	(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.



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

	31.03.20	31.03.19
	RM'000	RM'000
Profit before tax	44,708	54,567
Adjustments for:		
Non-cash items	5,223	(7,020)
Non-operating items	(1,601)	(6,860)
Operating profit before changes in working capital	48,330	40,687
Changes in working capital		
Net change in current assets	26,105	2,876
Net change in current liabilities	(12,332)	(11,895)
Net cash from operating activities	62,103	31,668
Investing activities		
Equity investments	2,749	2,138
Other investments	13,344	60,656
Net cash from investing activities	16,093	62,794
Financing activities		
Dividend paid	(21,489)	(29,214)
Bank borrowings, net	(3,616)	(2,450)
Interest paid	(864)	(945)
Repayment of lease liabilities	(1,193)	-
Net cash used in financing activities	(27,162)	(32,609)
Net change in cash & cash equivalents	51,034	61,853
Cash & cash equivalents at beginning of year	177,296	116,587
Effects of exchange rates on cash & cash equivalents	1,790	(1,144)
Cash & cash equivalents at end of year	230,120	177,296

Note

Cash and cash equivalents

Cash and cash equivalents included in the condensed consolidated cash flow statements comprise the following condensed consolidated balance sheet amount:

	31.03.20	31.03.19
	RM'000	RM'000
Cash and bank balances	230,120	177,296

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



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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2020

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.

The Condensed Report should be read in conjunction with the audited financial statements for the year ended 31 March 2019 and the accompanying explanatory notes are an integral part of this Condensed Report.

A2 Significant Accounting Policies

The accounting policies adopted by the Group in this Condensed Report are consistent with those adopted in the audited financial statements for the year ended 31 March 2019, except for the adoption of 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 Interpretations 23, *Uncertainty Over Income Tax Treatments*

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

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

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

Annual Improvements to MFRS Standards 2015 – 2017 Cycle

- i) Amendments to MFRS 3, *Business Combinations*
- ii) Amendments to MFRS 11, *Joint Arrangements*
- iii) Amendments to MFRS 112, *Income Taxes*
- iv) Amendments to MFRS 123, *Borrowing Costs*

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

The Group has adopted MFRS 16 from 1 April 2019 with any cumulative effect of initial adoption recognized at that date without restating the comparative information presented under MFRS 117. The impact of the initial application of MFRS 16 on the statement of financial position is shown below:

	Note	Effect of MFRS 16 adoption to opening balance as at 1 April 2019 RM'000
Statement of financial position		
Increase in right-of-use assets	(a)	7,199
Increase in non-current lease liabilities	(b)	5,987
Increase in current lease liabilities	(b)	1,212



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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 payments, as well as the impact of lease modification, if any.

The following are Standards of the MFRS Framework that have been issued by the MASB but have not been early adopted by the Group:

Title	Effective Date
Amendments to MFRS 3, <i>Business Combinations: Definition of a Business</i>	1 Jan 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7: <i>Interest Rate Benchmark Reform</i>	1 Jan 2020
Amendments to MFRS 101 and MFRS 108: <i>Definition of Material</i>	1 Jan 2020
Amendments to MFRS 16, <i>Leases: Covid 19-Related Rent Concessions</i>	1 June 2020
MFRS 17, <i>Insurance Contracts</i>	1 Jan 2021
Amendments to MFRS 1, MFRS 9 & MFRS 16: <i>Annual Improvements to MFRS Standards 2018-2020</i>	1 Jan 2022
Amendments to MFRS 3, <i>Business Combinations: Reference to the Conceptual Framework</i>	1 Jan 2022
Amendments to MFRS 101, <i>Presentation of Financial Statements: Classification of Liabilities as Current or Non-current</i>	1 Jan 2022
Amendments to MFRS 116, <i>Property, Plant and Equipment: Proceeds before Intended Use</i>	1 Jan 2022
Amendments to MFRS 137, <i>Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract</i>	1 Jan 2022
Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

A3 Audit Report

There was no qualification on the audited financial statements of the Group for the financial year ended 31 March 2019.

A4 Seasonal or Cyclical Factors

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

A5 Material Unusual Items

There were no unusual items that have a material effect on the assets, liabilities, equity, net income or cash flows of the Group during the current quarter and financial year under review.

A6 Material Changes in Accounting Estimates

There were no changes in accounting estimates that have a material effect in the current quarter and financial year under review.



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A7 Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current quarter and financial year under review. A total of 500 shares were retained as treasury shares as at 31 March 2020.

A8 Dividends Paid

A second interim single-tier dividend of RM0.04 per ordinary share amounting to RM7,790,362.40 for the financial year ended 31 March 2019 was paid on 16 May 2019.

A final single-tier dividend of RM0.07 per ordinary share amounting to RM13,633,134.20 for the financial year ended 31 March 2019 was paid on 31 October 2019.

A9 Segmental Reporting

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 and liabilities are mainly confined to a single operating segment.

A10 Valuations of Property, Plant and Equipment

The valuations of land and buildings have been brought forward without amendment from the previous audited financial statements.

A11 Material Events Subsequent to the end of the Quarter

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

A12 Changes in Composition of the Group

There were no changes in the composition of the Group for the quarter and financial year under review.

A13 Contingent Liabilities and Contingent Assets

Contingent liabilities as at 31 March 2020 for the Company are corporate guarantees for banking facilities granted to subsidiaries of RM144.28mil (31 March 2019: RM140.92mil) and a corporate guarantee of RM10.76mil provided to a supplier of a subsidiary in UK.

A14 Capital Commitments

Save as disclosed below, the Group does not have any material capital commitments.

Approved and contracted for:
Machinery and Equipment

31.03.20
RM'000

3,072



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A15 Intangible Assets

	31.03.20	31.03.19
	RM'000	RM'000
Goodwill	30,235	30,235
Other Intangible Assets with Finite Life*	175	508
	<u>30,410</u>	<u>30,743</u>

* This is 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)

	31.03.20	31.03.19
Shareholders' Fund (RM '000)	626,131	598,920
Share Capital (Unit '000)	194,759	194,759
Net Assets per Share (sen)	<u>321.49</u>	<u>307.52</u>

B ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1 Review of Performance

Current Quarter

The Group recorded revenue of RM70.68mil for the current quarter as compared to RM80.66mil recorded in Q4 FY2019. The lower revenue was due to weaker demand for filing products which was made worse by the outbreak of the COVID-19 pandemic.

Pre-tax profit for the quarter was RM9.93mil as compared to RM15.11mil recorded in the corresponding quarter last year. During the quarter, a total of RM4.19mil in impairment in receivables and machinery was provided in the accounts. Excluding the above impairment, profit before tax would have been RM14.12mil. The lower profit was also contributed by a lower investing results and forex gain recorded during the quarter. Investing income dropped from RM3.49mil to RM0.34mil while forex gain achieved was only RM0.29mil as compared to RM1.50mil achieved in March quarter last year.

Year To Date

Profit before tax decreased from RM54.57mil to RM44.71mil on the back of weaker sales and also lower contribution from share of profit of associate which decreased from RM15.98mil to RM9.00mil. Operating margin dropped from 10.93% to 10.40%. Excluding the impairment of RM4.19mil in receivables and machinery, operating margin would have improved to 11.82% for the current quarter.



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B2 Comparison with Preceding Quarter

	31.03.20	31.12.19
	RM'000	RM'000
Revenue	70,675	71,792
Profit Before Tax	9,928	13,802

Profit before tax dropped from RM13.80mil to RM9.93mil. The decline in pre-tax profit was mainly due to the impairment amount of RM4.19mil in receivables and machinery as well as a lower contribution from investing results of only RM0.34mil as compared to RM3.43mil achieved in the preceding quarter.

B3 Current Year Prospects

The economic onslaught brought by the current COVID-19 pandemic has heightened uncertainties over the global economy. The speed at which production can be stepped up will depend very much on the market dynamics. The Group will continuously explore ways to reduce cost in order to mitigate the adverse impact of the pandemic on the Group's performance. Efforts have also been intensified on diversification of the Group's business beyond its traditional filing products. With our healthy balance and financial strength, the Group is in a good position to explore new investment opportunities. The Group expects the next quarter to be a challenging quarter.

B4 Profit Forecast or Profit Guarantee

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

B5 Tax Expense

	Year Ended	
	31.03.20	31.03.19
	RM'000	RM'000
Current Tax Expense		
- Current Year	6,551	9,030
- Prior Year	(6)	(2,376)
	6,545	6,654
Deferred Tax Expense		
- Current Year	978	32
- Prior Year	320	45
	1,298	77
	7,843	6,731

B6 Sale of Unquoted Investments and Properties

There were no sales of unquoted investments and properties for the quarter and the financial year under review.

B7 Status of Corporate Proposal Announced

No corporate proposal was announced by the Group.



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B8 Group Borrowings and Debt Securities

Group borrowings denominated in foreign currency are as follows:

	31.03.20		31.03.19	
	USD '000	RM '000	USD '000	RM '000
Unsecured Current Borrowings	5,728	24,748	6,753	27,553

B9 Other Investments

	31.03.20	31.03.19
	RM'000	RM'000
Non-Current Assets		
Investment in Quoted Shares	-	5,803
Current Assets		
Fair Value through Profit or Loss:		
Equity-Linked Investments	7,691	9,943
Short Term Funds	-	8,736
	7,691	18,679

B10 Changes in Material Litigation

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

B11 Dividends Proposed

The Board does not recommend any dividend during the current quarter.

B12 Earnings per Share

	3 Mths Ended	Year Ended
	31.03.20	31.03.20
Profit Attributable to Equity Holders of the Company (RM'000)	8,653	36,859
Weighted Average Number of Ordinary Shares (Unit '000)	194,759	194,759
Earnings per Share (sen)	4.44	18.93

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 difference levels have been defined as follows:



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- Level 1: Quoted prices (adjusted) in active markets for identical assets or liabilities
 Level 2: 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 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

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	
As at 31 March 2020				
<u>Financial Assets</u>				
Financial Assets at Fair Value Through Profit or Loss	-	7,691	-	7,691
As at 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

B14 Profit Before Tax

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

	3 Mths Ended 31.03.20 RM'000	Year Ended 31.03.20 RM'000
Interest Income	735	3,514
Other Income including Investment Income	(263)	5,053
Interest Expense	(176)	(864)
Depreciation and Amortisation	(2,712)	(10,474)
Allowance for doubtful debts	(3,043)	(2,986)
Bad debts written off	(62)	(62)
Gain on disposal of property, plant and equipment	-	40
Machineries written off	(1,089)	(1,089)
Foreign Exchange Gain	292	1,322

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