



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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	30.06.20	31.03.20
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	97,669	99,415
Right-of-use assets	7,014	7,383
Investment properties	1,253	1,263
Intangible assets	30,324	30,410
Investment in an associate	170,988	168,252
	307,248	306,723
Current Assets		
Inventories	89,470	94,832
Other investments	-	7,691
Trade and other receivables	42,177	57,180
Current tax assets	470	419
Cash and cash equivalents	248,599	230,120
	380,716	390,242
TOTAL ASSETS	687,964	696,965
EQUITY AND LIABILITIES		
Share capital	202,331	202,331
Treasury shares	(2)	(2)
Reserves	425,453	423,802
Equity attributable to equity holders of the parent	627,782	626,131
Non-controlling interests	474	504
Total Equity	628,256	626,635
Non-Current Liabilities		
Lease liabilities	5,052	5,422
Deferred tax liabilities	11,693	11,725
	16,745	17,147
Current Liabilities		
Bank borrowings	23,792	24,748
Lease liabilities	774	564
Trade and other payables	17,705	26,317
Current tax liabilities	692	1,554
	42,963	53,183
Total Liabilities	59,708	70,330
TOTAL EQUITY AND LIABILITIES	687,964	696,965
Net assets per share (sen)	322.34	321.49
	(Refer Note A16)	

The condensed financial statement should be read in conjunction with the audited financial statements for the financial year ended 31 March 2020.



ASIA FILE CORPORATION BHD. (313192-P)
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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THREE MONTHS PERIOD ENDED 30 JUNE 2020**

	3 Months Ended		Year Ended	
	30.06.20 RM'000	30.06.19 RM'000	30.06.20 RM'000	30.06.19 RM'000
Revenue	44,652	77,599	44,652	77,599
Operating expenses	(47,176)	(68,271)	(47,176)	(68,271)
Other operating income	381	299	381	299
(Loss)/Profit from operations	(2,143)	9,627	(2,143)	9,627
Finance cost	(168)	(266)	(168)	(266)
Investing results	1,169	460	1,169	460
Share of profit of an associate	2,242	2,315	2,242	2,315
Profit before tax	1,100	12,136	1,100	12,136
Taxation	(469)	(2,410)	(469)	(2,410)
Profit for the period	631	9,726	631	9,726
Other comprehensive income, net of tax				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operations	496	1,357	496	1,357
Items that will not be reclassified subsequently to profit or loss				
Share of other comprehensive income of equity-accounted associate	494	159	494	159
Other comprehensive income for the period, net of tax	990	1,516	990	1,516
Total comprehensive income for the period	1,621	11,242	1,621	11,242



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FOR THREE MONTHS PERIOD ENDED 30 JUNE 2020

	3 Months Ended		Year Ended	
	30.06.20 RM'000	30.06.19 RM'000	30.06.20 RM'000	30.06.19 RM'000
Profit/(Loss) attributable to:				
Equity holders of the Company	650	9,728	650	9,728
Non-controlling interests	(19)	(2)	(19)	(2)
Profit for the period	<u>631</u>	<u>9,726</u>	<u>631</u>	<u>9,726</u>
Total comprehensive income/(expense) attributable to:				
Equity holders of the Company	1,651	11,258	1,651	11,258
Non-controlling interests	(30)	(16)	(30)	(16)
Total comprehensive income for the period	<u>1,621</u>	<u>11,242</u>	<u>1,621</u>	<u>11,242</u>
Earning per share attributable to equity holders of the Company (sen)	0.33	4.99	0.33	4.99

The condensed financial statement should be read in conjunction with the audited financial statements for the financial year ended 31 March 2020.



ASIA FILE CORPORATION BHD. (313192-P)
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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THREE MONTHS PERIOD ENDED 30 JUNE 2020

	← Attributable to owners of the Company →				Total RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Translation Reserve RM'000	Distributable Retained Earnings RM'000			
Period ended 30 June 2020							
At 1 April 2020	202,331	(2)	13,246	410,556	626,131	504	626,635
Profit/(Loss) for the period	-	-	-	650	650	(19)	631
Other comprehensive income/(expense) for the period	-	-	1,001	-	1,001	(11)	990
Total comprehensive income/(expense) for the period	-	-	1,001	650	1,651	(30)	1,621
Dividend	-	-	-	-	-	-	-
At 30 June 2020	202,331	(2)	14,247	411,206	627,782	474	628,256
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

The condensed financial statement should be read in conjunction with the audited financial statements for the financial year ended 31 March 2020.



ASIA FILE CORPORATION BHD. (313192-P)
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THREE MONTHS PERIOD ENDED 30 JUNE 2020

	30.06.20	30.06.19
	RM'000	RM'000
Profit before tax	1,100	12,136
Adjustments for:		
Non-cash items	1,686	185
Non-operating items	(975)	(182)
Operating profit before changes in working capital	1,811	12,139
Changes in working capital		
Net change in current assets	19,065	9,415
Net change in current liabilities	(10,138)	(2,817)
Net cash from operating activities	10,738	18,737
Investing activities		
Other investments	8,913	(65,266)
Net cash from/(used in) investing activities	8,913	(65,266)
Financing activities		
Dividend paid	-	(7,856)
Bank borrowings, net	(825)	(3,935)
Interest paid	(168)	(266)
Repayment of lease liabilities	(94)	(293)
Net cash used in financing activities	(1,087)	(12,350)
Net change in cash & cash equivalents	18,564	(58,879)
Cash & cash equivalents at beginning of period	230,120	177,296
Effects of exchange rates on cash & cash equivalents	(85)	806
Cash & cash equivalents at end of period	248,599	119,223

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:

	30.06.20	30.06.19
	RM'000	RM'000
Cash and bank balances	248,599	119,223

The condensed financial statement should be read in conjunction with the audited financial statements for the financial year ended 31 March 2020.



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NOTES TO THE INTERIM FINANCIAL REPORT FOR THREE MONTHS PERIOD ENDED 30 JUNE 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 2020 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 2020, 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 2020, as disclosed below:

Amendments to MFRS 3, *Business Combinations: Definition of a Business*
Amendments to MFRS 9, MFRS 139 and MFRS 7: *Interest Rate Benchmark Reform*
Amendments to MFRS 101 and MFRS 108: *Definition of Material*

The adoption of the above pronouncements does not have any significant impact to the Group.

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 16, <i>Leases: Covid 19-Related Rent Concessions</i>	1 June 2020
Amendments to MFRS 1, MFRS 9, MFRS 16 & MFRS 141: <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 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
MFRS 17, <i>Insurance Contracts</i>	1 Jan 2023
Amendments to MFRS 101, <i>Presentation of Financial Statements: Classification of Liabilities as Current or Non-current</i>	1 Jan 2023
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 2020.

A4 Seasonal or Cyclical Factors

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



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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.

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 30 June 2020.

A8 Dividends Paid

There was no dividend paid by the Company during the quarter under review.

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 30 June 2020 for the Company are corporate guarantees for banking facilities granted to subsidiaries of RM143.72mil (31 March 2020: RM144.28mil) and a corporate guarantee of RM10.64mil 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

30.06.20
RM'000

2,992



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A15 Intangible Assets

	30.06.20	31.03.20
	RM'000	RM'000
Goodwill	30,235	30,235
Other Intangible Assets with Finite Life*	89	175
	<u>30,324</u>	<u>30,410</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)

	30.06.20	31.03.20
Shareholders' Fund (RM '000)	627,782	626,131
Share Capital (Unit '000)	194,759	194,759
Net Assets per Share (sen)	<u>322.34</u>	<u>321.49</u>

B ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1 Review of Performance

Current Quarter

For the current quarter, the Group reported revenue of RM44.65 million and profit before tax of RM1.10 million. Sales of filing products have been negatively affected by the Covid-19 pandemic due to lockdown measures implemented by most countries including countries which the Group has business operations. For the month of April, business activities had come to a near halt due to the factory closure and shut down of production.

Despite the drop in revenue, certain operating expenses remained fixed. Coupled with a foreign exchange loss of RM1.60 million, the Group's profit before tax was reduced to RM1.10 million during the quarter.

B2 Comparison with Preceding Quarter

	30.06.20	31.03.20
	RM'000	RM'000
Revenue	44,652	70,675
Profit Before Tax	1,100	9,928

Revenue dropped to RM44.65 million in the current quarter as sales of filing products have been affected by Covid-19 pandemic lockdown in various countries. With the decrease in revenue and fixed operating costs remaining unchanged, the Group recorded a reduced profit before tax of RM1.10 million for the current quarter.



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B3 Current Year Prospects

Although results of the first quarter has been badly hit by the Covid-19 pandemic, sales of our core products has gradually picked up since June 2020. In conjunction with the “Back to School” season in Europe, we have noted a steady stream of orders coming in from our customers. Various measures have also been taken to reduce cost and increase operational efficiency. Our diversification into other consumable products other than recyclable food ware is currently in progress with production expected to commence in the last quarter of financial year ending March 2021. Despite the current challenging business environment, the Group remains committed to delivering a positive performance for the financial year ending 31 March 2021.

B4 Profit Forecast or Profit Guarantee

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

B5 Tax Expense

	3 Mths Ended	
	30.06.20 RM'000	30.06.19 RM'000
Current Tax Expense		
- Current Year	520	1,969
- Prior Year	20	3
	540	1,972
Deferred Tax Expense		
- Current Year	(71)	438
	469	2,410

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.

B8 Group Borrowings and Debt Securities

Group borrowings denominated in foreign currency are as follows:

	30.06.20		31.03.20	
	USD '000	RM '000	USD '000	RM '000
Unsecured Current Borrowings	5,559	23,792	5,728	24,748



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B9 Other Investments

	30.06.20	31.03.20
	RM'000	RM'000
Current Assets		
Fair Value through Profit or Loss:		
Equity-Linked Investments	-	7,691

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	
	30.06.20	30.06.19
Profit Attributable to Equity Holders of the Company (RM'000)	650	9,728
Weighted Average Number of Ordinary Shares (Unit '000)	194,759	194,759
Earnings per Share (sen)	0.33	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 difference levels have been defined as follows:

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)



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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 2019				
Financial Assets				
Financial Assets at Fair Value Through Profit or Loss	-	7,691	-	7,691

B14 Profit Before Tax

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

	3 Mths Ended	
	30.06.20 RM'000	30.06.19 RM'000
Interest income	964	447
Other income including investment income	451	312
Interest expense	(168)	(266)
Depreciation and amortisation	(2,531)	(2,545)
Allowance for doubtful debts	(29)	(42)
Gain on disposal of property, plant and equipment	179	-
Foreign exchange (loss)/gain	(1,604)	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.