



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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2020

	30.09.20	31.03.20
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	96,462	99,415
Right-of-use assets	6,752	7,383
Investment properties	1,243	1,263
Intangible assets	30,235	30,410
Investment in an associate	173,590	168,252
	308,282	306,723
Current Assets		
Inventories	82,404	94,832
Other investments	-	7,691
Trade and other receivables	48,639	57,180
Current tax assets	187	419
Cash and cash equivalents	269,807	230,120
	401,037	390,242
TOTAL ASSETS	709,319	696,965
EQUITY AND LIABILITIES		
Share capital	202,331	202,331
Treasury shares	(2)	(2)
Reserves	439,544	423,802
Equity attributable to equity holders of the parent	641,873	626,131
Non-controlling interests	474	504
Total Equity	642,347	626,635
Non-Current Liabilities		
Lease liabilities	4,776	5,422
Deferred tax liabilities	12,144	11,725
	16,920	17,147
Current Liabilities		
Bank borrowings	22,717	24,748
Lease liabilities	1,139	564
Trade and other payables	24,196	26,317
Current tax liabilities	2,000	1,554
	50,052	53,183
Total Liabilities	66,972	70,330
TOTAL EQUITY AND LIABILITIES	709,319	696,965
Net assets per share (sen)	(Refer Note A16)	329.57
		321.49

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 HALF YEAR ENDED 30 SEPTEMBER 2020**

	3 Months Ended		Half Year Ended	
	30.09.20 RM'000	30.09.19 RM'000	30.09.20 RM'000	30.09.19 RM'000
Revenue	66,605	73,304	111,257	150,903
Operating expenses	(57,613)	(69,382)	(104,789)	(137,653)
Other operating income	63	1,954	444	2,253
Profit from operations	9,055	5,876	6,912	15,503
Finance cost	(93)	(216)	(261)	(482)
Investing results	358	1,835	1,527	2,295
Share of profit of an associate	5,136	1,347	7,378	3,662
Profit before tax	14,456	8,842	15,556	20,978
Taxation	(1,773)	(1,743)	(2,242)	(4,153)
Profit for the period	12,683	7,099	13,314	16,825
Other comprehensive income, net of tax				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operations	1,498	(3,526)	1,994	(2,169)
Items that will not be reclassified subsequently to profit or loss				
Share of other comprehensive income/(expense) of equity-accounted associate	(90)	(265)	404	(106)
Other comprehensive income/(expense) for the period, net of tax	1,408	(3,791)	2,398	(2,275)
Total comprehensive income for the period	14,091	3,308	15,712	14,550



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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR HALF YEAR ENDED 30 SEPTEMBER 2020

	3 Months Ended		Half Year Ended	
	30.09.20	30.09.19	30.09.20	30.09.19
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) attributable to:				
Equity holders of the Company	12,690	7,079	13,340	16,807
Non-controlling interests	(7)	20	(26)	18
Profit for the period	<u>12,683</u>	<u>7,099</u>	<u>13,314</u>	<u>16,825</u>
Total comprehensive income/(expense) attributable to:				
Equity holders of the Company	14,091	3,305	15,742	14,563
Non-controlling interests	-	3	(30)	(13)
Total comprehensive income for the period	<u>14,091</u>	<u>3,308</u>	<u>15,712</u>	<u>14,550</u>
Earning per share attributable to equity holders of the Company (sen)	6.52	3.63	6.85	8.63

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 HALF YEAR ENDED 30 SEPTEMBER 2020

	← Attributable to owners of the Company →				Total RM'000	Non- Controlling 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 September 2020							
At 1 April 2020	202,331	(2)	13,246	410,556	626,131	504	626,635
Profit/(Loss) for the period	-	-	-	13,340	13,340	(26)	13,314
Other comprehensive income/(expense) for the period	-	-	2,402	-	2,402	(4)	2,398
Total comprehensive income/(expense) for the period	-	-	2,402	13,340	15,742	(30)	15,712
At 30 September 2020	202,331	(2)	15,648	423,896	641,873	474	642,347
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 HALF YEAR ENDED 30 SEPTEMBER 2020

	30.09.20	30.09.19
	RM'000	RM'000
Profit before tax	15,556	20,978
Adjustments for:		
Non-cash items	(2,492)	1,540
Non-operating items	(1,607)	(1,435)
Operating profit before changes in working capital	<u>11,457</u>	<u>21,083</u>
Changes in working capital		
Net change in current assets	21,201	15,066
Net change in current liabilities	(3,851)	(1,647)
Net cash from operating activities	<u>28,807</u>	<u>34,502</u>
Investing activities		
Equity investments	2,444	2,749
Other investments	8,995	(66,471)
Net cash from/(used in) investing activities	<u>11,439</u>	<u>(63,722)</u>
Financing activities		
Dividend paid	-	(7,856)
Bank borrowings, net	(1,824)	960
Interest paid	(261)	(481)
Repayment of lease liabilities	(49)	(577)
Net cash used in financing activities	<u>(2,134)</u>	<u>(7,954)</u>
Net change in cash & cash equivalents	<u>38,112</u>	<u>(37,174)</u>
Cash & cash equivalents at beginning of period	230,120	177,296
Effects of exchange rates on cash & cash equivalents	1,575	(913)
Cash & cash equivalents at end of period	<u><u>269,807</u></u>	<u><u>139,209</u></u>

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:

	30.09.20	30.09.19
	RM'000	RM'000
Cash and bank balances	<u>269,807</u>	<u>139,209</u>

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 HALF YEAR ENDED 30 SEPTEMBER 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 4, MFRS 7, MFRS 9, MFRS 16 & MFRS 139, <i>Interest Rate Benchmark Reform – Phase 2</i>	1 Jan 2021
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
Amendments to MFRS 101, <i>Presentation of Financial Statements: Classification of Liabilities as Current or Non-current</i>	1 Jan 2023
MFRS 17, <i>Insurance Contracts</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.



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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.

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 September 2020.

A8 Dividends Paid

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

A9 Segmental Reporting

The Group's business segments comprise the followings:

- Filing Products : Manufacturing and trading of stationery products, paper and plastic based related products
Consumer & Food Ware Products : Manufacturing and trading of consumer and food ware products
Others : Investment holding, commission agent and management services

Half year ended 30.09.2020

	Filing Products RM'000	Consumer & Food Wares RM'000	Others RM'000	Total RM'000
Revenue from external customers	101,241	10,002	14	111,257
Operating profit	5,214	1,787	(89)	6,912

Reconciliation of reportable segment profit:

Operating profit for reportable segments	6,912
Finance cost	(261)
Investing results	1,527
Share of profit of an associate	7,378
Consolidated profit before taxation	15,556



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Half year ended 30.09.2019

	Filing Products RM'000	Consumer & Food Wares RM'000	Others RM'000	Total RM'000
Revenue from external customers	145,842	5,043	18	150,903
Operating profit	14,924	731	(152)	15,503

Reconciliation of reportable segment profit:

Operating profit for reportable segments	15,503
Finance cost	(482)
Investing results	2,295
Share of profit of an associate	3,662
Consolidated profit before taxation	<u><u>20,978</u></u>

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 September 2020 for the Company are corporate guarantees for banking facilities granted to subsidiaries of RM141.90mil (31 March 2020: RM144.28mil) and a corporate guarantee of RM10.72mil 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.

	30.09.20
	RM'000
Approved and contracted for:	
Machinery and Equipment	<u><u>3,229</u></u>

A15 Intangible Assets

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

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



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A16 Net Assets per Share (sen)

	30.09.20	31.03.20
Shareholders' Fund (RM '000)	641,873	626,131
Share Capital (Unit '000)	194,759	194,759
Net Assets per Share (sen)	<u>329.57</u>	<u>321.49</u>

B ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1 Review of Performance

The Group registered total revenue of RM66.61 million and pre-tax profit of RM14.46 million for the current quarter as compared to RM73.30 million in revenue and pre-tax profit of RM8.84 million reported in the corresponding quarter last year. Sales of filing products have gradually recovered from the COVID-19 pandemic. However, consumer sentiment remains weak. The recyclable food ware segment has, however, shown a spike in demand with the rising popularity in food take away and delivery.

While sales revenue has dropped, pre-tax profit for the quarter has improved from RM8.84 million to RM14.46 million. Profit from associate has increased to RM5.14 million as compared to RM1.35 million recorded in the corresponding quarter last year.

Operating margin has improved from 8.02% to 13.60% as a result of various cost saving measures including wage subsidy from government which help to bring down salary expenses. The improvement was further fueled by favorable exchange rate movement with a foreign exchange gain of RM1.03 million as opposed to foreign exchange loss of RM3.80 million suffered in the corresponding quarter last year.

B2 Comparison with Preceding Quarter

	30.09.20	30.06.20
	RM'000	RM'000
Revenue	66,605	44,652
Profit Before Tax	14,456	1,100

In correspondence with the "Back to School" season in Europe and the gradual easing of movement control during the quarter, sales has increased from RM44.65 million in the preceding quarter to RM66.61 million in the current quarter. Our recyclable food ware products have also received positive responses as demand for takeaway food packaging went up considerably. Coupled with foreign exchange gain of RM1.03 million and profit sharing from an associate of RM5.14 million, the Group's profit before tax improved from RM1.10 million in the preceding quarter to RM14.46 million in the current quarter.



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B3 Current Year Prospects

As Covid-19 infection cases increase rapidly around the world with no sign of subsiding soon, more and more countries are likely to re-impose tough movement restrictions. This will no doubt dampen the overall business sentiment just when economy is showing glimmers of gradual pick-up. In view of this development, we expect slower recovery of sales for the filing products segment with the impact to be cushioned by a boost from the anticipated launch of new products in the next quarter.

Our current focus is on the health and safety of our employees to ensure sustainability of our operations. With careful re-strategizing of operations backed by a solid balance sheet, the Board remains optimistic that the Group is well positioned to weather through these unprecedented challenges.

B4 Profit Forecast or Profit Guarantee

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

B5 Tax Expense

	Half Year Ended	
	30.09.20	30.09.19
	RM'000	RM'000
Current Tax Expense		
- Current Year	1,894	3,961
- Prior Year	21	3
	1,915	3,964
Deferred Tax Expense		
- Current Year	327	189
	2,242	4,153

B6 Sale of Unquoted Investments and Properties

There were no sales of unquoted investments and properties for the current quarter and 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:

	30.09.20		31.03.20	
	USD '000	RM '000	USD '000	RM '000
Unsecured Current Borrowings	5,474	22,717	5,728	24,748

B9 Other Investments

	30.09.20	31.03.20
	RM'000	RM'000
Current Assets		
Fair Value through Profit or Loss:		
Equity-Linked Investments	-	7,691



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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	Half Year
	30.09.20	Ended
	30.09.20	30.09.20
Profit Attributable to Equity Holders of the Company (RM'000)	12,690	13,340
Weighted Average Number of Ordinary Shares (Unit '000)	194,759	194,759
Earnings per Share (sen)	<u>6.52</u>	<u>6.85</u>

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)

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 →			
	Level 1	Level 2	Level 3	Carrying
	RM'000	RM'000	RM'000	Amount
				RM'000
As at 31 March 2020				
<u>Financial Assets</u>				
Financial Assets at Fair Value				
Through Profit or Loss	-	7,691	-	<u>7,691</u>



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B14 Profit Before Tax

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

	3 Mths Ended	Half Year
	30.09.20	Ended
	RM'000	30.09.20
		RM'000
Interest income	721	1,685
Other (expense)/income including investment income	(348)	103
Interest expense	(93)	(261)
Depreciation and amortisation	(2,559)	(5,090)
Allowance for doubtful debts	(10)	(39)
Gain on disposal of property, plant and equipment	4	183
Foreign exchange gain/(loss)	1,025	(579)

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