



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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	31.12.20	31.03.20
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	95,979	99,415
Right-of-use assets	7,399	7,383
Investment properties	1,232	1,263
Intangible assets	30,235	30,410
Investment in an associate	181,389	168,252
	316,234	306,723
Current Assets		
Inventories	88,025	94,832
Other investments	11,851	7,691
Trade and other receivables	56,677	57,180
Current tax assets	171	419
Cash and cash equivalents	263,218	230,120
	419,942	390,242
TOTAL ASSETS	736,176	696,965
EQUITY AND LIABILITIES		
Share capital	202,331	202,331
Treasury shares	(2)	(2)
Reserves	459,411	423,802
Equity attributable to equity holders of the parent	661,740	626,131
Non-controlling interests	483	504
Total Equity	662,223	626,635
Non-Current Liabilities		
Lease liabilities	5,382	5,422
Deferred tax liabilities	12,869	11,725
	18,251	17,147
Current Liabilities		
Bank borrowings	24,172	24,748
Lease liabilities	1,461	564
Trade and other payables	27,487	26,317
Current tax liabilities	2,582	1,554
	55,702	53,183
Total Liabilities	73,953	70,330
TOTAL EQUITY AND LIABILITIES	736,176	696,965
Net assets per share (sen)	(Refer Note A16)	339.77
		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 THE NINE MONTHS PERIOD ENDED 31 DECEMBER 2020**

	3 Months Ended		9 Months Ended	
	31.12.20	31.12.19	31.12.20	31.12.19
	RM'000	RM'000	RM'000	RM'000
Revenue	69,743	71,792	181,000	222,695
Operating expenses	(58,472)	(63,040)	(163,261)	(200,693)
Other operating income	462	115	906	2,368
Profit from operations	11,733	8,867	18,645	24,370
Finance cost	(118)	(206)	(379)	(688)
Investing results	518	3,432	2,045	5,727
Share of profit of an associate	7,669	1,709	15,047	5,371
Profit before tax	19,802	13,802	35,358	34,780
Taxation	(2,420)	(2,401)	(4,662)	(6,554)
Profit for the period	17,382	11,401	30,696	28,226
Other comprehensive income, net of tax				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operations	2,365	2,597	4,359	428
Items that will not be reclassified subsequently to profit or loss				
Share of other comprehensive income/(expense) of equity-accounted associate	129	74	533	(32)
Other comprehensive income for the period, net of tax	2,494	2,671	4,892	396
Total comprehensive income for the period	19,876	14,072	35,588	28,622



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FOR THE NINE MONTHS PERIOD ENDED 31 DECEMBER 2020

	3 Months Ended		9 Months Ended	
	31.12.20	31.12.19	31.12.20	31.12.19
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) attributable to:				
Equity holders of the Company	17,389	11,399	30,729	28,206
Non-controlling interests	(7)	2	(33)	20
Profit for the period	<u>17,382</u>	<u>11,401</u>	<u>30,696</u>	<u>28,226</u>
Total comprehensive income/(expense) attributable to:				
Equity holders of the Company	19,867	14,034	35,609	28,597
Non-controlling interests	9	38	(21)	25
Total comprehensive income for the period	<u>19,876</u>	<u>14,072</u>	<u>35,588</u>	<u>28,622</u>
Earning per share attributable to equity holders of the Company (sen)	8.93	5.85	15.78	14.48

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 THE NINE MONTHS PERIOD ENDED 31 DECEMBER 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 31 December 2020							
At 1 April 2020	202,331	(2)	13,246	410,556	626,131	504	626,635
Profit/(Loss) for the period	-	-	-	30,729	30,729	(33)	30,696
Other comprehensive income for the period	-	-	4,880	-	4,880	12	4,892
Total comprehensive income/(expense) for the period	-	-	4,880	30,729	35,609	(21)	35,588
At 31 December 2020	202,331	(2)	18,126	441,285	661,740	483	662,223
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 THE NINE MONTHS PERIOD ENDED 31 DECEMBER 2020

	31.12.20	31.12.19
	RM'000	RM'000
Profit before tax	35,358	34,780
Adjustments for:		
Non-cash items	(9,388)	2,003
Non-operating items	(2,226)	(2,130)
Operating profit before changes in working capital	23,744	34,653
Changes in working capital		
Net change in current assets	9,560	29,534
Net change in current liabilities	(2,520)	(14,041)
Net cash from operating activities	30,784	50,146
Investing activities		
Equity investments	2,444	2,749
Other investments	(3,248)	(66,523)
Net cash used in investing activities	(804)	(63,774)
Financing activities		
Dividend paid	-	(21,489)
Bank borrowings, net	(377)	(5,974)
Interest paid	(379)	(688)
Repayment of lease liabilities	(220)	(905)
Net cash used in financing activities	(976)	(29,056)
Net change in cash & cash equivalents	29,004	(42,684)
Cash & cash equivalents at beginning of period	230,120	177,296
Effects of exchange rates on cash & cash equivalents	4,094	154
Cash & cash equivalents at end of period	263,218	134,766

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:

	31.12.20	31.12.19
	RM'000	RM'000
Cash and bank balances	263,218	134,766

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 THE NINE MONTHS PERIOD ENDED 31 DECEMBER 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
Amendments to 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 31 December 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 and commission agent.

9 Months ended 31.12.2020

	Filing Products RM'000	Consumer & Food Ware Products RM'000	Others RM'000	Total RM'000
Revenue from external customers	164,405	16,535	60	181,000
Operating profit	15,713	2,933	(1)	18,645

Reconciliation of reportable segment profit:

Operating profit for reportable segments	18,645
Finance cost	(379)
Investing results	2,045
Share of profit of an associate	15,047
Consolidated profit before taxation	35,358



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A9 Segmental Reporting (continued)

9 Months ended 31.12.2019

	Filing Products RM'000	Consumer & Food Ware Products RM'000	Others RM'000	Total RM'000
Revenue from external customers	214,900	7,728	67	222,695
Operating profit	23,195	1,228	(53)	24,370

Reconciliation of reportable segment profit:

Operating profit for reportable segments	24,370
Finance cost	(688)
Investing results	5,727
Share of profit of an associate	5,371
Consolidated profit before taxation	34,780

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 December 2020 for the Company are corporate guarantees for banking facilities granted to subsidiaries of RM140.50mil (31 March 2020: RM144.28mil) and a corporate guarantee of RM10.94mil 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.

	31.12.20
	RM'000
Approved and contracted for:	
Machinery and Equipment	<u>2,245</u>



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A15 Intangible Assets

	31.12.20	31.03.20
	RM'000	RM'000
Goodwill	30,235	30,235
Other Intangible Assets with Finite Life*	-	175
	<u>30,235</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)

	31.12.20	31.03.20
Shareholders' Fund (RM '000)	661,740	626,131
Share Capital (Unit '000)	194,759	194,759
Net Assets per Share (sen)	<u>339.77</u>	<u>321.49</u>

B ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1 Review of Performance

Current Quarter

During the quarter, business activities in both Malaysia and overseas were affected by the partial lockdown as the global pandemic situation became critical.

The second national lockdown came into force in UK with effect from 5 November 2020 while Germany was put into partial nationwide lockdown in early November 2020. On the local front, Conditional Movement Control Order ("CMCO") was imposed on Sabah, Selangor, Kuala Lumpur and Putrajaya in October 2020 while the remaining states except for Perlis, Pahang and Kelantan were placed under CMCO from 9 November 2020.

Against the above economy backdrop, the Group posted a modest drop of 2.9% in revenue as its quarterly turnover decreased from RM 71.8million in December quarter last year to RM 69.7million in the current quarter.

Operating profit for the quarter has improved by 32% from RM 8.9million to RM 11.7million as a result of better utilization of resources and re-strategizing of marketing approach on digital platform.

After taking into consideration the profit contribution from its associate company of RM 7.7 million (December 2019: RM 1.7million), the group's profit before tax for the quarter registered an increase of 43.4% from RM 13.8million to RM 19.8million.

Year To Date

Revenue achieved for the nine months' period was RM181.0million as compared to RM222.7 million recorded for the corresponding period last year.

The widespread restriction placed on business activities as a result of the pandemic has caused a drop in demand for consumer products.



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B1 Review of Performance (continued)

Year To Date (continued)

This has affected the Group's revenue especially in the June quarter which saw its revenue contracted from RM 77.6million in June 2019 to only RM 44.7million.

Despite a lower revenue, the Group's profit before tax remains largely unchanged at RM 35.3 million (December 2019: RM 34.8million) as a result of a higher share of profit from associate.

B2 Comparison with Preceding Quarter

	31.12.20	30.09.20
	RM'000	RM'000
Revenue	69,743	66,605
Profit Before Tax	19,802	14,456

Profit before tax for the current period rose to RM19.8million as compared to RM14.5million posted in the immediate preceding quarter. The increase was mainly due to higher sales figures and the positive foreign exchange movement, which has resulted in a forex gain of RM3.0million in the current quarter as compared to foreign exchange gain of only RM1.0 million in the preceding quarter.

In addition, a higher profit sharing from an associate of RM7.7million was recorded during the quarter as compared to RM5.1 million registered in the preceding quarter.

B3 Current Year Prospects

The Group expects the overall business sentiment to remain challenging amidst global uncertainties and sluggish economy. It will continue to re-invent itself by tapping into new marketing channels to gain higher market share while also evaluating other business opportunities in order to further strengthen its future financial performance. With the gradual pick up in sales from its consumer and food ware products, the Group is confident that its future operating result will remain profitable.

B4 Profit Forecast or Profit Guarantee

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

B5 Tax Expense

	9 Months Ended	
	31.12.20	31.12.19
	RM'000	RM'000
Current Tax Expense		
- Current Year	3,760	4,622
- Prior Year	(76)	(6)
	3,684	4,616
Deferred Tax Expense		
- Current Year	978	1,938
	<u>4,662</u>	<u>6,554</u>



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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:

	31.12.20		31.03.20	
	USD '000	RM '000	USD '000	RM '000
Unsecured Current Borrowings	5,968	24,172	5,728	24,748

B9 Other Investments

	31.12.20	31.03.20
	RM'000	RM'000
Current Assets		
Fair Value through Profit or Loss:		
Investment in dual currency structured product	11,851	-
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	9 Months
	31.12.20	31.12.20
Profit Attributable to Equity Holders of the Company (RM'000)	17,389	30,729
Weighted Average Number of Ordinary Shares (Unit '000)	194,759	194,759
Earnings per Share (sen)	8.93	15.78

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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B13 Fair Value of Financial Instruments (continued)

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 December 2020				
<u>Financial Assets</u>				
Financial Assets at Fair Value Through Profit or Loss	-	11,851	-	11,851
As at 31 March 2020				
<u>Financial Assets</u>				
Financial Assets at Fair Value Through Profit or Loss	-	7,691	-	7,691

B14 Profit Before Tax

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

	3 Mths Ended 31.12.20 RM'000	9 Months Ended 31.12.20 RM'000
Interest income	735	2,420
Other income including investment income	243	346
Interest expense	(118)	(379)
Depreciation and amortisation	(2,644)	(7,734)
Reversal/(Allowance) for doubtful debts	2	(37)
Gain on disposal of property, plant and equipment	2	185
Foreign exchange gain	2,979	2,400

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