



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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	31.03.21	31.03.20
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	100,333	99,415
Right-of-use assets	7,280	7,383
Investment properties	1,222	1,263
Intangible assets	30,235	30,410
Investment in an associate	190,635	168,252
Other receivable	5,000	-
	334,705	306,723
Current Assets		
Inventories	92,429	94,832
Other investments	-	7,691
Trade and other receivables	57,443	57,180
Current tax assets	708	419
Short term funds	67,192	72,430
Cash and bank balances	215,200	157,690
	432,972	390,242
TOTAL ASSETS	767,677	696,965
EQUITY AND LIABILITIES		
Share capital	202,331	202,331
Treasury shares	(2)	(2)
Reserves	477,333	423,802
Equity attributable to equity holders of the parent	679,662	626,131
Non-controlling interests	539	504
Total Equity	680,201	626,635
Non-Current Liabilities		
Lease liabilities	5,209	5,422
Deferred tax liabilities	13,084	11,725
	18,293	17,147
Current Liabilities		
Bank borrowings	26,167	24,748
Lease liabilities	1,566	564
Trade and other payables	40,492	26,317
Current tax liabilities	958	1,554
	69,183	53,183
Total Liabilities	87,476	70,330
TOTAL EQUITY AND LIABILITIES	767,677	696,965
Net assets per share (sen)	348.98	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 YEAR ENDED 31 MARCH 2021**

	3 Months Ended		Year Ended	
	31.03.21 RM'000	31.03.20 RM'000	31.03.21 RM'000	31.03.20 RM'000
Revenue	77,100	70,675	258,100	293,370
Operating expenses	(67,568)	(64,672)	(230,829)	(265,365)
Other operating income	114	128	1,020	2,496
Profit from operations	9,646	6,131	28,291	30,501
Finance cost	(118)	(176)	(497)	(864)
Investing results	(744)	344	1,301	6,071
Share of profit of an associate	7,218	3,629	22,265	9,000
Profit before tax	16,002	9,928	51,360	44,708
Taxation	(86)	(1,289)	(4,748)	(7,843)
Profit for the period	15,916	8,639	46,612	36,865
Other comprehensive income, net of tax				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operations	1,659	3,763	6,018	4,191
Items that will not be reclassified subsequently to profit or loss				
Share of other comprehensive income/(expense) of equity-accounted associate	403	(167)	936	(199)
Other comprehensive income for the period, net of tax	2,062	3,596	6,954	3,992
Total comprehensive income for the period	17,978	12,235	53,566	40,857



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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021

	3 Months Ended		Year Ended	
	31.03.21 RM'000	31.03.20 RM'000	31.03.21 RM'000	31.03.20 RM'000
Profit/(Loss) attributable to:				
Equity holders of the Company	15,896	8,653	46,625	36,859
Non-controlling interests	20	(14)	(13)	6
Profit for the period	<u>15,916</u>	<u>8,639</u>	<u>46,612</u>	<u>36,865</u>
Total comprehensive income/(expense) attributable to:				
Equity holders of the Company	17,922	12,247	53,531	40,844
Non-controlling interests	56	(12)	35	13
Total comprehensive income for the period	<u>17,978</u>	<u>12,235</u>	<u>53,566</u>	<u>40,857</u>
Earning per share attributable to equity holders of the Company (sen)	8.16	4.44	23.94	18.93

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 YEAR ENDED 31 MARCH 2021

	←——— 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			
<u>Year ended 31 March 2021</u>							
At 1 April 2020	202,331	(2)	13,246	410,556	626,131	504	626,635
Profit/(Loss) for the year	-	-	-	46,625	46,625	(13)	46,612
Other comprehensive income for the year	-	-	6,906	-	6,906	48	6,954
Total comprehensive income for the year	-	-	6,906	46,625	53,531	35	53,566
At 31 March 2021	202,331	(2)	20,152	457,181	679,662	539	680,201
<u>Year ended 31 March 2020</u>							
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.



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

	31.03.21	31.03.20
	RM'000	RM'000
Profit before tax	51,360	44,708
Adjustments for:		
Non-cash items	(11,445)	7,057
Non-operating items	(3,268)	(5,435)
Operating profit before changes in working capital	36,647	46,330
Changes in working capital		
Net change in current assets	1,716	24,331
Net change in current liabilities	8,019	(12,295)
Net cash from operating activities	46,382	58,366
Investing activities		
Equity investments	818	2,749
Other investments	2,879	16,090
Net cash from investing activities	3,697	18,839
Financing activities		
Dividend paid	-	(21,489)
Bank borrowings, net	1,061	(3,616)
Interest paid	(497)	(864)
Repayment of lease liabilities	(576)	(1,193)
Net cash used in financing activities	(12)	(27,162)
Net change in cash & cash equivalents	50,067	50,043
Cash & cash equivalents at beginning of year	230,120	177,296
Effects of exchange rates on cash & cash equivalents	2,205	2,781
Cash & cash equivalents at end of year	282,392	230,120

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:

	31.03.21	31.03.20
	RM'000	RM'000
Short term funds	67,192	72,430
Cash and bank balances	215,200	157,690
	282,392	230,120

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 YEAR ENDED 31 MARCH 2021

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 16, <i>Leases: Covid 19-Related Rent Concessions beyond 30 June 2021</i>	1 Apr 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 101, <i>Presentation of Financial Statements: Disclosure of Accounting Policies</i>	1 Jan 2023



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A2 Significant Accounting Policies (continued)

Title	Effective Date
Amendments to MFRS 17, <i>Insurance Contracts</i>	1 Jan 2023
Amendments to MFRS 108, <i>Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates</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.

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 March 2021.

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.



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A9 Segmental Reporting (continued)

Year ended 31.03.2021

	Filing Products RM'000	Consumer & Food Ware Products RM'000	Others RM'000	Total RM'000
Revenue from external customers	230,702	27,323	75	258,100
Operating profit	23,266	4,970	55	28,291

Reconciliation of reportable segment profit:

Operating profit for reportable segments	28,291
Finance cost	(497)
Investing results	1,301
Share of profit of an associate	22,265
Consolidated profit before taxation	<u><u>51,360</u></u>

Year ended 31.03.2020

	Filing Products RM'000	Consumer & Food Ware Products RM'000	Others RM'000	Total RM'000
Revenue from external customers	282,630	10,659	81	293,370
Operating profit	29,146	1,433	(78)	30,501

Reconciliation of reportable segment profit:

Operating profit for reportable segments	30,501
Finance cost	(864)
Investing results	6,071
Share of profit of an associate	9,000
Consolidated profit before taxation	<u><u>44,708</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 31 March 2021 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 RM11.4mil provided to a supplier of a subsidiary in UK.



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A14 Capital Commitments

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

	31.03.21
	RM'000
Approved and contracted for:	
Machinery and Equipment	1,858

A15 Intangible Assets

	31.03.21	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)

	31.03.21	31.03.20
Shareholders' Fund (RM '000)	679,662	626,131
Share Capital (Unit '000)	194,759	194,759
Net Assets per Share (sen)	<u>348.98</u>	<u>321.49</u>

B ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1 Review of Performance

Current Quarter

During the quarter under review, the Group posted an increase of 9.1% in sales to RM77.1 million when compared to RM70.7 million achieved in the corresponding quarter last year. The above improvement in revenue came about as a result of higher sales achieved by its newly diversified business, namely consumer and food ware products. Sales generated from the above business segment has gone up significantly from RM2.9 million in March quarter last year to RM11.1 million this quarter .

With the increase in revenue and coupled with favorable exchange rate movement, operating profit for the quarter has improved by 57% from RM6.1 million (March 2020) to RM9.6 million (March 2021) on quarter to quarter comparison. In addition, the new marketing approach on digital platform adopted by the Group has further enhanced the overall operating profit margin for the quarter.

After taking into consideration the share of profit from its associate company of RM7.2 million (March 2020: RM3.6 million), the Group's pre-tax profit for the quarter recorded an increase of 61% to RM16 million when compared to the corresponding quarter last year (March 2020: RM9.9 million)



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B1 Review of Performance (continued)

Year To Date

Revenue achieved for the year was RM258.1 million as compared to RM293.4 million recorded last year. The unprecedented challenges of global health pandemic has impacted the Group's performance especially in the June quarter when revenue dropped significantly from RM77.6 million in June 2019 to only RM44.7 million in June 2020.

Despite the above adverse impact, revenue for the Group has gradually recovered in subsequent quarters. With the narrowing drop in revenue and backed by a higher share of profit from associate, the Group's profit before tax for the year rose to RM51.4 million (March 2020: RM44.7 million) which represented an improvement of 14.8% on year to year comparison.

B2 Comparison with Preceding Quarter

	31.03.21	31.12.20
	RM'000	RM'000
Revenue	77,100	69,743
Profit Before Tax	16,002	19,802

The decline in pre-tax profit was mainly due to rising cost of raw material and freight charges which has lowered the operating margin for the quarter.

B3 Current Year Prospects

With the current spike in Covid-19 cases in Malaysia, it will have ripple effects on most businesses with cut back in demands and supply chain disruption. This will made worse by the rising cost of materials and unprecedented spike in freight costs.

However, the aggressive rollout of vaccination globally including in Malaysia may mark the gradual start of the journey towards economy recovery.

While the Group will not lose sight of its traditional filing business, it is taking various proactive steps to grow its market share in the new business. It has been an exciting journey as the Group gradually gains a better footing in an uncharted territory. Over time, it will continue to streamline its business structure, improve on its processes and optimize its operations.

With the gradual pick-up in sales from its consumer and food ware business segment and the eventual recovery in business sentiment, 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.



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B5 Tax Expense

	Year Ended	
	31.03.21	31.03.20
	RM'000	RM'000
Current Tax Expense		
- Current Year	3,596	6,551
- Prior Year	(75)	(6)
	3,521	6,545
Deferred Tax Expense		
- Current Year	1,227	978
- Prior Year	-	320
	1,227	1,298
	<u>4,748</u>	<u>7,843</u>

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:

	31.03.21		31.03.20	
	USD '000	RM '000	USD '000	RM '000
Unsecured Current Borrowings	6,305	26,167	5,728	24,748

B9 Other Investments

	31.03.21	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 of Directors have recommended a final single tier dividend of 1.5 sen per share subject to approval from the shareholders. The payment date for the recommended final dividend shall be determined by the Directors and to be announced at a later date.



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B12 Earnings per Share

	3 Mths Ended	Year Ended
	31.03.21	31.03.21
Profit Attributable to Equity Holders of the Company (RM'000)	15,896	46,625
Weighted Average Number of Ordinary Shares (Unit '000)	194,759	194,759
Earnings per Share (sen)	<u>8.16</u>	<u>23.94</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	Year Ended
	31.03.21	31.03.21
	RM'000	RM'000
Interest income	849	3,269
Other expenses including investment income	(1,482)	(1,136)
Interest expense	(118)	(497)
Depreciation and amortisation	(2,745)	(10,479)
Allowance for doubtful debts	(4)	(41)
Gain on disposal of property, plant and equipment	3	188
Foreign exchange gain	3,105	5,505

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