



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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	30.06.21	31.03.21	
	RM'000	RM'000	
ASSETS			
Non-Current Assets			
Property, plant and equipment	101,309	100,333	
Right-of-use assets	6,722	7,046	
Investment properties	1,444	1,456	
Intangible assets	30,235	30,235	
Investment in an associate	205,872	190,635	
Other receivable	5,000	5,000	
	<u>350,582</u>	<u>334,705</u>	
Current Assets			
Inventories	87,348	92,429	
Trade and other receivables	63,188	57,443	
Current tax assets	726	708	
Short term funds	136,438	67,194	
Cash and bank balances	140,755	215,198	
	<u>428,455</u>	<u>432,972</u>	
TOTAL ASSETS	<u><u>779,037</u></u>	<u><u>767,677</u></u>	
EQUITY AND LIABILITIES			
Share capital	202,331	202,331	
Treasury shares	(2)	(2)	
Reserves	496,223	477,333	
Equity attributable to equity holders of the parent	<u>698,552</u>	<u>679,662</u>	
Non-controlling interests	541	539	
Total Equity	<u>699,093</u>	<u>680,201</u>	
Non-Current Liabilities			
Lease liabilities	4,849	5,209	
Deferred tax liabilities	13,640	13,084	
	<u>18,489</u>	<u>18,293</u>	
Current Liabilities			
Bank borrowings	23,353	26,167	
Lease liabilities	1,604	1,566	
Trade and other payables	34,477	40,492	
Current tax liabilities	2,021	958	
	<u>61,455</u>	<u>69,183</u>	
Total Liabilities	<u>79,944</u>	<u>87,476</u>	
TOTAL EQUITY AND LIABILITIES	<u><u>779,037</u></u>	<u><u>767,677</u></u>	
Net assets per share (sen)	(Refer Note A16)	358.68	348.98

The condensed financial statement should be read in conjunction with the audited financial statements for the financial year ended 31 March 2021.



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 2021**

	3 Months Ended		Year-To-Date Ended	
	30.06.21	30.06.20	30.06.21	30.06.20
	RM'000	RM'000	RM'000	RM'000
Revenue	80,969	44,652	80,969	44,652
Operating expenses	(69,279)	(47,176)	(69,279)	(47,176)
Other operating income	1,329	381	1,329	381
Profit/(loss) from operations	13,019	(2,143)	13,019	(2,143)
Finance cost	(100)	(168)	(100)	(168)
Investing results	1,209	1,169	1,209	1,169
Share of profit of an associate	5,346	2,242	5,346	2,242
Profit before tax	19,474	1,100	19,474	1,100
Taxation	(2,665)	(469)	(2,665)	(469)
Profit for the period	16,809	631	16,809	631
Other comprehensive income, net of tax				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operations	2,090	496	2,090	496
Items that will not be reclassified subsequently to profit or loss				
Share of other comprehensive (expense)/income of equity-accounted associate	(7)	494	(7)	494
Other comprehensive income for the period, net of tax	2,083	990	2,083	990
Total comprehensive income for the period	18,892	1,621	18,892	1,621



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FOR THREE MONTHS PERIOD ENDED 30 JUNE 2021

	3 Months Ended		Year-To-Date Ended	
	30.06.21	30.06.20	30.06.21	30.06.20
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) attributable to:				
Equity holders of the Company	16,815	650	16,815	650
Non-controlling interests	(6)	(19)	(6)	(19)
Profit for the period	<u>16,809</u>	<u>631</u>	<u>16,809</u>	<u>631</u>
Total comprehensive income/(expense) attributable to:				
Equity holders of the Company	18,890	1,651	18,890	1,651
Non-controlling interests	2	(30)	2	(30)
Total comprehensive income for the period	<u>18,892</u>	<u>1,621</u>	<u>18,892</u>	<u>1,621</u>
Earning per share attributable to equity holders of the Company (sen)	8.63	0.33	8.63	0.33

The condensed financial statement should be read in conjunction with the audited financial statements for the financial year ended 31 March 2021.



ASIA FILE CORPORATION BHD. (313192-P)
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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THREE MONTHS PERIOD ENDED 30 JUNE 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			
Period ended 30 June 2021							
At 1 April 2021	202,331	(2)	20,152	457,181	679,662	539	680,201
Profit/(Loss) for the period	-	-	-	16,815	16,815	(6)	16,809
Other comprehensive income for the period	-	-	2,075	-	2,075	8	2,083
Total comprehensive income for the period	-	-	2,075	16,815	18,890	2	18,892
At 30 June 2021	202,331	(2)	22,227	473,996	698,552	541	699,093
Year ended 31 March 2021							
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

The condensed financial statement should be read in conjunction with the audited financial statements for the financial year ended 31 March 2021.



ASIA FILE CORPORATION BHD. (313192-P)
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THREE MONTHS PERIOD ENDED 30 JUNE 2021

	30.06.21	30.06.20
	RM'000	RM'000
Profit before tax	19,474	1,100
Adjustments for:		
Non-cash items	(3,016)	1,995
Non-operating items	(1,122)	(1,181)
Operating profit before changes in working capital	15,336	1,914
Changes in working capital		
Net change in current assets	430	19,065
Net change in current liabilities	(7,590)	(10,138)
	(7,160)	8,927
Net cash from operating activities	8,176	10,841
Investing activities		
Equity investments	(9,899)	-
Other investments	(70,753)	(204)
Net cash used in investing activities	(80,652)	(204)
Financing activities		
Bank borrowings, net	(2,897)	(825)
Interest paid	(100)	(168)
Repayment of lease liabilities	(381)	(94)
Net cash used in financing activities	(3,378)	(1,087)
Net change in cash & cash equivalents	(75,854)	9,550
Cash & cash equivalents at beginning of period	215,198	157,690
Effects of exchange rates on cash & cash equivalents	1,411	(85)
Cash & cash equivalents at end of period	140,755	167,155

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:

	30.06.21	30.06.20
	RM'000	RM'000
Cash and bank balances	140,755	167,155

The condensed financial statement should be read in conjunction with the audited financial statements for the financial year ended 31 March 2021.



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NOTES TO THE INTERIM FINANCIAL REPORT FOR THREE MONTHS PERIOD ENDED 30 JUNE 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 2021 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 2021, 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 2021, as disclosed below:

Title	Effective Date
Amendments to MFRS 16, <i>Leases: Covid 19-Related Rent Concessions</i>	1 June 2020
Amendments to MFRS 4, <i>Insurance Contracts – Extension of the Temporary Exemption from Applying MFRS 9</i>	17 Aug 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

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 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
Amendments to MFRS 17, <i>Insurance Contracts</i>	1 Jan 2023



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A2 Significant Accounting Policies (continued)

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

Title	Effective Date
Amendments to MFRS 108, <i>Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates</i>	1 Jan 2023
Amendments to MFRS 112, <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</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 2021.

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 June 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)

3 mths ended 30.06.2021

	Filing Products RM'000	Consumer & Food Ware Products RM'000	Others RM'000	Total RM'000
Revenue from external customers	70,028	10,936	5	80,969
Operating profit	10,913	2,001	105	13,019

Reconciliation of reportable segment profit:

Operating profit for reportable segments	13,019
Finance cost	(100)
Investing results	1,209
Share of profit of an associate	5,346
Consolidated profit before taxation	<u><u>19,474</u></u>

3 mths ended 30.06.2020

	Filing Products RM'000	Consumer & Food Ware Products RM'000	Others RM'000	Total RM'000
Revenue from external customers	39,986	4,663	3	44,652
Operating profit	(2,772)	677	(48)	(2,143)

Reconciliation of reportable segment profit:

Operating profit for reportable segments	(2,143)
Finance cost	(168)
Investing results	1,169
Share of profit of an associate	2,242
Consolidated profit before taxation	<u><u>1,100</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.



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A13 Contingent Liabilities and Contingent Assets

(i) The Company has given corporate guarantees to certain financial institutions for banking facilities granted to its subsidiaries for a limit of RM141.90mil (31 March 2021: RM141.90mil) of which RM23.35mil (31 March 2021: RM26.17mil) were utilised at the end of the quarter.

(ii) The Company has also given corporate guarantee of RM11.50mil (31 March 2021: RM11.40mil) to a supplier of its subsidiary, Higher Kings Mill Limited of which RM1.89mil (31 March 2021: RM1.43mil) was utilised at the end of the quarter.

A14 Capital Commitments

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

	30.06.21
	RM'000
Approved and contracted for:	
Machinery and Equipment	<u><u>2,574</u></u>

A15 Intangible Assets

	30.06.21	31.03.21
	RM'000	RM'000
Goodwill	<u><u>30,235</u></u>	<u><u>30,235</u></u>

A16 Net Assets per Share (sen)

	30.06.21	31.03.21
Shareholders' Fund (RM '000)	698,552	679,662
Share Capital (Unit '000)	194,759	194,759
Net Assets per Share (sen)	<u><u>358.68</u></u>	<u><u>348.98</u></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 81.3% in sales to RM 81.0 million when compared to RM 44.7 million achieved in the corresponding quarter last year.

Despite the government-mandated shutdown nationwide in Malaysia with effect from 1 June 2021, sales of filing products has shown resilient performance with vast improvement noted in revenue generated by our foreign subsidiaries as UK and other European countries prepared for the gradual reopening of their economies. In addition, consumer and food ware business segment has seen a steady improvement with total sales jumped remarkably from RM 4.7 million in June quarter last year to RM 11.0 million in the current quarter as sales derived from this new division started to gain traction since its first soft launch back in 2018.



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B1 Review of Performance (continued)

Current Quarter (continued)

With the increase in revenue and coupled with favorable exchange rate movement, profit from operations for the quarter recorded a gain of RM 13.0 million as compared to a loss of RM 2.1 million registered one year ago in June 2020.

After taking into consideration the share of profit from its associate company of RM 5.3 million (June 2020: RM 2.2 million) and investing results, the Group's pre-tax profit for the quarter posted significant increase to RM 19.5 million when compared to RM 1.1 million achieved in the corresponding quarter last year .

B2 Comparison with Preceding Quarter

	30.06.21	31.03.21
	RM'000	RM'000
Revenue	80,969	77,100
Profit Before Tax	19,474	16,002

On the back of a higher turnover, profit before tax for the current period increase to RM 19.5 million as compared to RM 16.0 million recorded in the immediate preceding quarter. Operating margin for the quarter improved from 12.5% (Mar 2021) to 16.1% (June 2021) as a result of enhanced efficiency and effective cost control .

B3 Current Year Prospects

Malaysia is reporting higher Covid-19 cases despite a prolonged period of lockdown nationwide. However, with the increased rate of vaccination across the country, there is anticipation that situation will improve gradually. The Group has participated in the Public-Private Partnership COVID-19 Industry Immunisation Programme (*PIKAS*) in order to have nearly all its employees vaccinated in Malaysia while most of the employees in its oversea plants have been vaccinated with at least one dose of the vaccine.

The Group expects the overall business sentiment to remain challenging amidst global uncertainties as prospects of economy recovery may be constrained by resurgence of new pandemic outbreaks. Among the major challenges to the Group over the remaining quarters would be the rising material costs as a result of disruption in global supply chain as well as the unprecedented spike in freight costs. The Group has adopted a proactive approach in reviewing its business model and operation structure in order to weather through these challenges while minimizing any potential impact arising from these adversities.

On a positive note, its consumer and food ware business segment has achieved another milestone as sales exceeded RM 10 million during the quarter. With its business diversification and product expansion plans well on track, the Group is confident that it will be well buffered to deliver a positive operating result barring any unforeseen circumstances.

B4 Profit Forecast or Profit Guarantee

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



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B5 Tax Expense

	3 Mths Ended	
	30.06.21	30.06.20
	RM'000	RM'000
Current Tax Expense		
- Current Year	2,195	520
- Prior Year	-	20
	2,195	540
Deferred Tax Expense		
- Current Year	470	(71)
	2,665	469

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:

	30.06.21		31.03.21	
	USD '000	RM '000	USD '000	RM '000
Unsecured Current Borrowings	5,627	23,353	6,305	26,167

B9 Changes in Material Litigation

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

B10 Dividends Proposed

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

B11 Earnings per Share

	3 Mths Ended	
	30.06.21	30.06.20
Profit Attributable to Equity Holders of the Company (RM'000)	16,815	650
Weighted Average Number of Ordinary Shares (Unit '000)	194,759	194,759
Earnings per Share (sen)	8.63	0.33

B12 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.



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B12 Fair Value of Financial Instruments (continued)

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 →			Carrying Amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
As at 30 June 2021				
<u>Financial Assets</u>				
Financial Assets at Fair Value Through Profit or Loss	136,438	-	-	136,438
As at 31 March 2021				
<u>Financial Assets</u>				
Financial Assets at Fair Value Through Profit or Loss	67,194	-	-	67,194

B13 Profit Before Tax

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

	3 Mths Ended	
	30.06.21 RM'000	30.06.20 RM'000
Distribution income	632	611
Interest income	278	353
Other income including investment income	1,616	451
Interest expense	(100)	(168)
Depreciation and amortisation	(2,561)	(2,531)
Allowance for doubtful debts	(75)	(29)
Gain on disposal of property, plant and equipment	12	179
Foreign exchange gain/(loss)	3,569	(1,604)

B14 The condensed consolidated interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors.