



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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2021

	30.09.21	31.03.21
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	99,313	100,333
Right-of-use assets	6,283	7,046
Investment properties	1,432	1,456
Intangible assets	30,235	30,235
Investment in an associate	217,150	190,635
Trade and other receivables	10,000	5,000
	364,413	334,705
Current Assets		
Inventories	94,894	92,429
Other investments	48,748	-
Trade and other receivables	58,118	57,443
Current tax assets	292	708
Short term funds	114,318	67,194
Cash and bank balances	87,776	215,198
	404,146	432,972
TOTAL ASSETS	768,559	767,677
EQUITY AND LIABILITIES		
Share capital	202,331	202,331
Treasury shares	(2)	(2)
Reserves	501,884	477,333
Equity attributable to equity holders of the parent	704,213	679,662
Non-controlling interests	509	539
Total Equity	704,722	680,201
Non-Current Liabilities		
Lease liabilities	4,386	5,209
Deferred tax liabilities	12,974	13,084
	17,360	18,293
Current Liabilities		
Bank borrowings	5,740	26,167
Lease liabilities	1,597	1,566
Trade and other payables	34,865	40,492
Current tax liabilities	4,275	958
	46,477	69,183
Total Liabilities	63,837	87,476
TOTAL EQUITY AND LIABILITIES	768,559	767,677
Net assets per share (sen)	(Refer Note A16)	361.58
		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 HALF YEAR ENDED 30 SEPTEMBER 2021**

	3 Months Ended		Half Year Ended	
	30.09.21 RM'000	30.09.20 RM'000	30.09.21 RM'000	30.09.20 RM'000
Revenue	76,672	66,605	157,641	111,257
Operating expenses	(68,193)	(57,613)	(137,472)	(104,789)
Other operating income	525	63	1,854	444
Profit from operations	<u>9,004</u>	<u>9,055</u>	<u>22,023</u>	<u>6,912</u>
Finance cost	(96)	(93)	(196)	(261)
Investing results	803	358	2,012	1,527
Share of profit of an associate	934	5,136	6,280	7,378
Profit before tax	<u>10,645</u>	<u>14,456</u>	<u>30,119</u>	<u>15,556</u>
Taxation	(2,089)	(1,773)	(4,754)	(2,242)
Profit for the period	<u>8,556</u>	<u>12,683</u>	<u>25,365</u>	<u>13,314</u>
Other comprehensive (expense)/income, net of tax				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operations	(2,571)	1,498	(481)	1,994
Items that will not be reclassified subsequently to profit or loss				
Share of other comprehensive (expense)/income of equity-accounted associate	(356)	(90)	(363)	404
Other comprehensive (expense)/income for the period, net of tax	<u>(2,927)</u>	<u>1,408</u>	<u>(844)</u>	<u>2,398</u>
Total comprehensive income for the period	<u><u>5,629</u></u>	<u><u>14,091</u></u>	<u><u>24,521</u></u>	<u><u>15,712</u></u>



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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR HALF YEAR ENDED 30 SEPTEMBER 2021

	3 Months Ended		Half Year Ended	
	30.09.21	30.09.20	30.09.21	30.09.20
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) attributable to:				
Equity holders of the Company	8,577	12,690	25,392	13,340
Non-controlling interests	(21)	(7)	(27)	(26)
Profit for the period	<u>8,556</u>	<u>12,683</u>	<u>25,365</u>	<u>13,314</u>
Total comprehensive income/(expense) attributable to:				
Equity holders of the Company	5,661	14,091	24,551	15,742
Non-controlling interests	(32)	-	(30)	(30)
Total comprehensive income for the period	<u>5,629</u>	<u>14,091</u>	<u>24,521</u>	<u>15,712</u>
Earning per share attributable to equity holders of the Company (sen)	4.40	6.52	13.04	6.85

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 HALF YEAR ENDED 30 SEPTEMBER 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>Period ended 30 September 2021</u>							
At 1 April 2021	202,331	(2)	20,152	457,181	679,662	539	680,201
Profit/(Loss) for the period	-	-	-	25,392	25,392	(27)	25,365
Other comprehensive expense for the period	-	-	(841)	-	(841)	(3)	(844)
Total comprehensive (expense)/income for the period	-	-	(841)	25,392	24,551	(30)	24,521
At 30 September 2021	202,331	(2)	19,311	482,573	704,213	509	704,722
<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

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 HALF YEAR ENDED 30 SEPTEMBER 2021

	30.09.21	30.09.20
	RM'000	RM'000
Profit before tax	30,119	15,556
Adjustments for:		
Non-cash items	(456)	(2,182)
Non-operating items	(1,632)	(1,449)
Operating profit before changes in working capital	28,031	11,925
Changes in working capital		
Net change in current assets	(8,670)	21,201
Net change in current liabilities	(6,632)	(3,851)
	(15,302)	17,350
Net cash from operating activities	12,729	29,275
Investing activities		
Equity investments	(20,598)	2,444
Other investments	(97,749)	(2,614)
Net cash used in investing activities	(118,347)	(170)
Financing activities		
Bank borrowings, net	(20,390)	(1,824)
Interest paid	(196)	(261)
Repayment of lease liabilities	(773)	(49)
Net cash used in financing activities	(21,359)	(2,134)
Net change in cash & cash equivalents	(126,977)	26,971
Cash & cash equivalents at beginning of period	215,198	157,690
Effects of exchange rates on cash & cash equivalents	(445)	1,575
Cash & cash equivalents at end of period	87,776	186,236

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:

	30.09.21	30.09.20
	RM'000	RM'000
Cash and bank balances	87,776	186,236

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 HALF YEAR ENDED 30 SEPTEMBER 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 September 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)

Half year ended 30.09.2021

	Filing Products RM'000	Consumer & Food Ware Products RM'000	Others RM'000	Total RM'000
Revenue from external customers	135,072	22,555	14	157,641
Operating profit	17,472	4,513	38	22,023
Reconciliation of reportable segment profit:				
Operating profit for reportable segments				22,023
Finance cost				(196)
Investing results				2,012
Share of profit of an associate				6,280
Consolidated profit before taxation				<u><u>30,119</u></u>

Half year ended 30.09.2020

	Filing Products RM'000	Consumer & Food Ware Products 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				<u><u>15,556</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 RM142.32mil (31 March 2021: RM141.90mil) of which RM5.74mil (31 March 2021: RM26.17mil) were utilised at the end of the quarter.
- (ii) The Company has also given corporate guarantee of RM11.36mil (31 March 2021: RM11.40mil) to a supplier of its subsidiary, Higher Kings Mill Limited of which RM2.02mil (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.

	30.09.21
	RM'000
Approved and contracted for:	
Machinery and Equipment	790

A15 Intangible Assets

	30.09.21	31.03.21
	RM'000	RM'000
Goodwill	30,235	30,235

A16 Net Assets per Share (sen)

	30.09.21	31.03.21
Shareholders' Fund (RM '000)	704,213	679,662
Share Capital (Unit '000)	194,759	194,759
Net Assets per Share (sen)	361.58	348.98

B ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1 Review of Performance

Current Quarter

The Group recorded a total revenue of RM 76.7 million for the current quarter, representing an increase of 15.1% when compared to RM 66.6 million achieved in the corresponding quarter last year.

During the quarter, sales revenue from Consumer and Food ware division has more than doubled from RM 5.3 million to RM 11.6 million when compared to September quarter last year.

Despite a higher revenue, the Group's operating margin was affected by the lockdown of its Malaysia factories, the soaring freight costs and the spike in oversea energy cost.



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B1 Review of Performance (continued)

Current Quarter (continued)

Coupled with a significant drop in share of profit from its associate (Sept 2021: RM 0.9 million; Sept 2020: RM 5.1 million), the Group's pre-tax profit ended lower at RM 10.6 million as compared to RM 14.5 million achieved in the corresponding quarter last year.

Year To Date

Revenue for the six months' period increased by 41.6% to RM 157.6 million as compared to RM 111.3 million recorded in the previous corresponding period.

The widespread restrictions and lockdowns imposed during the onset of the COVID-19 outbreak worldwide has the biggest impact on the Group's revenue last year.

Sales from the filing segment improved by 33% during the first half of the year while the Consumer & Food Ware division enjoyed significant growth with sales more than doubled from RM 10.0 million to RM 22.6 million during the same period.

Pre-tax profit for the period rose to RM 30.1 million from RM 15.6 million posted during the same period last year as a result of higher revenue, improved utilisation of resources and also favourable movements in foreign exchange rates.

B2 Comparison with Preceding Quarter

	30.09.21	30.06.21
	RM'000	RM'000
Revenue	76,672	80,969
Profit Before Tax	10,645	19,474

Profit before tax for the current period declined to RM 10.6 million as compared to RM 19.5 million achieved in the preceding quarter as sales revenue dropped from RM 81.0 million to RM 76.7 million.

Operating margin in the quarter was affected by the lockdown of its Malaysian factories, high energy costs incurred in its oversea operating plants on top of the increasing freight rates. In addition, there was a significant drop in share of profit from its associate company from RM 5.3 million recorded in preceding quarter to only RM 0.9 million in the current quarter.

B3 Current Year Prospects

Barring any resurgence of new Covid-19 variants, the Group remains positive on its near term prospects and believes the momentum heading into 2022 will be encouraging. The Group had implemented various precautionary measures at its factories and offices to minimize the risk of Covid-19 infections and to ensure compliance with the standard operating procedures imposed by the Government.

The Group will continue to focus on its operational efficiencies amidst a rising operating cost environment. Among the greatest challenges to be faced by the Group over the next two quarters would be the high energy prices and freight costs as well as the tight supply of labour.



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B3 Current Year Prospects (continued)

By introducing digital marketing for its traditional filing business, the Group has opened up a new exciting channel to market its premium products with enhanced margin.

The Group is pleased to note the successful diversification of its product range as sales generated from its consumer and food ware division continue to record significant growth. In September 2021, the Group has announced the proposed acquisition of a local plastic ware manufacturer – Supportive Technology Sdn. Bhd.. Upon the completion of the proposed acquisition, the Group is confident that it will provide an excellent stimulus towards the future expansion of its new business.

B4 Profit Forecast or Profit Guarantee

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

B5 Tax Expense

	Half Year Ended	
	30.09.21	30.09.20
	RM'000	RM'000
Current Tax Expense		
- Current Year	4,843	1,894
- Prior Year	-	21
	4,843	1,915
Deferred Tax Expense		
- Current Year	(89)	327
	<u>4,754</u>	<u>2,242</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 But Not Completed

Proposed Acquisition of the entire interest in Supportive Technology Sdn. Bhd. (“Proposed Acquisition”)

On 10 September 2021, the Board of Directors announced that the Group has entered into a Share Sale Agreement (“SSA”) to acquire 1,666,665 ordinary shares (“Purchase Shares”) in Supportive Technology Sdn. Bhd. (“STSB”) representing 100% of the total number of issued shares in STSB, from ACME Holdings Berhad (“ACME” or the “Seller”) for a total cash consideration of RM 21.468 million. Upon the execution of the SSA, the Company has paid a deposit of RM 5.0 million to ACME.

STSB is currently in the business of manufacturing and selling diverse plasticware products which include storage box, drawer, food container, tumbler, bath and laundry ware, table, chair, and flower pot.



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B7 Status of Corporate Proposal Announced But Not Completed (continued)

The SSA is subject to the conditions precedent to be fulfilled by the Group and/or the Seller, amongst others, as follows:-

- (a) the Seller obtains its shareholders' approval at an extraordinary general meeting ("EGM") to be convened for the Proposed Acquisition;
- (b) the Group obtains its board's approval for the Proposed Acquisition;
- (c) there are no material adverse changes; and
- (d) such other consents or approvals (if any) from any third party or relevant authorities.

On 10 November 2021, ACME had obtained the approval from their shareholders at EGM.

Further details on the above corporate proposal could be obtained from the announcements dated 10 September 2021 and 13 September 2021.

B8 Group Borrowings and Debt Securities

Group borrowings denominated in foreign currency are as follows:

	30.09.21		31.03.21	
	USD '000	RM '000	USD '000	RM '000
Unsecured Current Borrowings	1,373	5,740	6,305	26,167

B9 Other Investments

	30.09.21	31.03.21
	RM'000	RM'000
Current Assets		
Fair Value through Profit or Loss:		
Investment in dual currency structured product	48,748	-

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 Ended
	30.09.21	30.09.21
Profit Attributable to Equity Holders of the Company (RM'000)	8,577	25,392
Weighted Average Number of Ordinary Shares (Unit '000)	194,759	194,759
Earnings per Share (sen)	4.40	13.04



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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 Amount
	RM'000	RM'000	RM'000	RM'000
As at 30 September 2021				
<u>Financial Assets</u>				
Financial Assets at Fair Value Through Profit or Loss	114,318	48,748	-	163,066
As at 31 March 2021				
<u>Financial Assets</u>				
Financial Assets at Fair Value Through Profit or Loss	67,194	-	-	67,194



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B14 Profit Before Tax

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

	3 Mths Ended 30.09.21 RM'000	Half Year Ended 30.09.21 RM'000
Distribution income	572	1,204
Interest income	148	426
Other income including investment income	529	2,145
Interest expense	(96)	(196)
Depreciation and amortisation	(2,558)	(5,119)
Reversal/(allowance) for doubtful debts	13	(62)
Gain on disposal of property, plant and equipment	79	91
Foreign exchange (loss)/gain	(501)	3,068

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