



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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	31.03.22	31.03.21	
	RM'000	RM'000	
ASSETS			
Non-Current Assets			
Property, plant and equipment	114,603	100,333	
Right-of-use assets	7,394	7,046	
Investment properties	3,899	1,456	
Intangible assets	30,235	30,235	
Investment in an associate	229,522	190,635	
Trade and other receivables	-	5,000	
	<u>385,653</u>	<u>334,705</u>	
Current Assets			
Inventories	109,417	92,429	
Trade and other receivables	68,150	57,443	
Current tax assets	38	708	
Short term funds	80,710	67,194	
Cash and cash equivalents	133,582	215,198	
	<u>391,897</u>	<u>432,972</u>	
TOTAL ASSETS	<u><u>777,550</u></u>	<u><u>767,677</u></u>	
EQUITY AND LIABILITIES			
Share capital	202,331	202,331	
Treasury shares	(2)	(2)	
Reserves	514,262	477,333	
Equity attributable to equity holders of the parent	<u>716,591</u>	<u>679,662</u>	
Non-controlling interests	468	539	
Total Equity	<u>717,059</u>	<u>680,201</u>	
Non-Current Liabilities			
Lease liabilities	3,469	5,209	
Deferred tax liabilities	13,556	13,084	
	<u>17,025</u>	<u>18,293</u>	
Current Liabilities			
Bank borrowings	2,750	26,167	
Lease liabilities	1,148	1,566	
Trade and other payables	36,712	40,492	
Current tax liabilities	2,856	958	
	<u>43,466</u>	<u>69,183</u>	
Total Liabilities	<u>60,491</u>	<u>87,476</u>	
TOTAL EQUITY AND LIABILITIES	<u><u>777,550</u></u>	<u><u>767,677</u></u>	
Net assets per share (sen)	(Refer Note A16)	367.94	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 YEAR ENDED 31 MARCH 2022**

	3 Months Ended		Year Ended	
	31.03.22	31.03.21	31.03.22	31.03.21
	RM'000	RM'000	RM'000	RM'000
Revenue	86,972	77,100	323,018	258,100
Operating expenses	(78,014)	(67,568)	(290,136)	(230,829)
Other operating income	236	114	3,494	1,020
Profit from operations	9,194	9,646	36,376	28,291
Finance cost	(109)	(118)	(366)	(497)
Investing results	133	(744)	2,517	1,301
Share of profit of an associate	3,145	7,218	12,966	22,265
Profit before tax	12,363	16,002	51,493	51,360
Taxation	(2,104)	(86)	(8,121)	(4,748)
Profit for the period	10,259	15,916	43,372	46,612
Other comprehensive (expense)/income, net of tax				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operations	(1,536)	1,659	(3,893)	6,018
Items that will not be reclassified subsequently to profit or loss				
Share of other comprehensive income of equity-accounted associate	318	403	321	936
Other comprehensive (expense)/income for the period, net of tax	(1,218)	2,062	(3,572)	6,954
Total comprehensive income for the period	9,041	17,978	39,800	53,566



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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR YEAR ENDED 31 MARCH 2022

	3 Months Ended		Year Ended	
	31.03.22	31.03.21	31.03.22	31.03.21
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) attributable to:				
Equity holders of the Company	10,244	15,896	43,400	46,625
Non-controlling interests	15	20	(28)	(13)
Profit for the period	<u>10,259</u>	<u>15,916</u>	<u>43,372</u>	<u>46,612</u>
Total comprehensive income/(expense) attributable to:				
Equity holders of the Company	9,037	17,922	39,850	53,531
Non-controlling interests	4	56	(50)	35
Total comprehensive income for the period	<u>9,041</u>	<u>17,978</u>	<u>39,800</u>	<u>53,566</u>
Earning per share attributable to equity holders of the Company (sen)	5.26	8.16	22.28	23.94

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 YEAR ENDED 31 MARCH 2022

	←——— 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 2022</u>							
At 1 April 2021	202,331	(2)	20,152	457,181	679,662	539	680,201
Profit/(Loss) for the year	-	-	-	43,400	43,400	(28)	43,372
Other comprehensive expense for the year	-	-	(3,550)	-	(3,550)	(22)	(3,572)
Total comprehensive (expense)/income for the year	-	-	(3,550)	43,400	39,850	(50)	39,800
Dividend	-	-	-	(2,921)	(2,921)	(21)	(2,942)
At 31 March 2022	202,331	(2)	16,602	497,660	716,591	468	717,059
<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.



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR YEAR ENDED 31 MARCH 2022

	31.03.22	31.03.21
	RM'000	RM'000
Profit before tax	51,493	51,360
Adjustments for:		
Non-cash items	(2,956)	(11,708)
Non-operating items	(2,317)	(992)
Operating profit before changes in working capital	46,220	38,660
Changes in working capital		
Net change in current assets	(17,977)	1,979
Net change in current liabilities	(14,097)	8,020
	(32,074)	9,999
Net cash from operating activities	14,146	48,659
Investing activities		
Equity investments	(45,717)	818
Other investments	(19,133)	5,838
Net cash used in investing activities	(64,850)	6,656
Financing activities		
Dividend paid	(2,942)	-
Bank borrowings, net	(23,869)	1,061
Interest paid	(366)	(497)
Repayment of lease liabilities	(1,978)	(576)
Net cash used in financing activities	(29,155)	(12)
Net change in cash & cash equivalents	(79,859)	55,303
Cash & cash equivalents at beginning of period	215,198	157,690
Effects of exchange rates on cash & cash equivalents	(1,757)	2,205
Cash & cash equivalents at end of period	133,582	215,198

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:

	31.03.22	31.03.21
	RM'000	RM'000
Cash and bank balances	133,582	215,198

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 YEAR ENDED 31 MARCH 2022

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 31 March 2022.

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 31.03.2022

	Filing Products RM'000	Consumer & Food Ware Products RM'000	Others RM'000	Total RM'000
Revenue from external customers	274,204	48,738	76	323,018
Operating profit	25,554	11,331	(509)	36,376

Reconciliation of reportable segment profit:

Operating profit for reportable segments	36,376
Finance cost	(366)
Investing results	2,517
Share of profit of an associate	12,966
Consolidated profit before taxation	<u><u>51,493</u></u>

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>

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 other than the following:-



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A12 Changes in Composition of the Group (Continued)

On 21 December 2021, the Company completed the acquisition of 1,666,665 ordinary shares in Supportive Technology Sdn Bhd (“STSB”), representing 100% equity interest in STSB for a total consideration of RM22,597,318 to be fully satisfied in cash (“the Acquisition”).

The following summarises the major classes of consideration transferred, and the recognized amounts of assets acquired and liabilities assumed at the date of acquisition.

(i) Identified assets acquired and liabilities assumed

	RM'000
Property, plant and equipment	17,903
Investment Properties	2,500
Deferred tax assets	242
Inventories	3,143
Trade and other receivables	4,751
Current tax assets	10
Cash and bank balances	2,481
Borrowings	(451)
Trade and other payables	(6,814)
Fair value of net identified assets acquired and liabilities assumed	<u>23,764</u>

(ii) Net cash outflow arising from acquisition of STSB

	RM'000
Cash	21,468
Deferred consideration payable	1,129
Total purchase consideration	<u>22,597</u>
Less: Cash and bank balances	<u>(2,481)</u>
Net cash outflow arising from acquisition of STSB	<u>20,116</u>

(iii) Bargain purchase arising from acquisition

	RM'000
Total purchase consideration	22,597
Fair value of net identified assets acquired and liabilities assumed	<u>(23,764)</u>
Bargain purchase arising from acquisition	<u>(1,167)</u>



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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 RM147.60mil (31 March 2021: RM141.90mil) of which RM2.75mil (31 March 2021: RM26.17mil) were utilised at the end of the quarter.
- (ii) The Company has also given corporate guarantee of RM11.04mil (31 March 2021: RM11.40mil) to a supplier of its subsidiary, Higher Kings Mill Limited of which RM1.88mil (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.

	31.03.22
	RM'000
Approved and contracted for:	
Machinery and Equipment	<u>1,438</u>

A15 Intangible Assets

	31.03.22	31.03.21
	RM'000	RM'000
Goodwill	<u>30,235</u>	<u>30,235</u>

A16 Net Assets per Share (sen)

	31.03.22	31.03.21
Shareholders' Fund (RM '000)	716,591	679,662
Share Capital (Unit '000)	194,759	194,759
Net Assets per Share (sen)	<u>367.94</u>	<u>348.98</u>

B ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1 Review of Performance

Current Quarter

Turnover achieved for the quarter of RM 86.97 million represented an improvement of 12.8% when compared with RM 77.1 million recorded in March quarter last year.

As the economy gradually recovers amidst the transition to the endemic phase of Covid-19, demand for filing products, consumer and food ware are showing signs of improvement. For the fourth quarter of financial year 2022, revenue from the filing business rose by 11% while sales contributed from consumer and food ware surged by 23% when compared with the corresponding quarter last year.



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B1 Review of Performance (continued)

Current Quarter (continued)

Operating profit showed a slight drop to RM 9.2 million from RM 9.6 million achieved in the March quarter last year. Overall operating cost such as material cost, energy prices and freight rates have increased significantly since one year ago. Despite the successful passing of some of the cost increases to our customers, the weakening of Malaysia Ringgit, GBP and EURO against USD has added further cost pressure. During the quarter, a total foreign exchange loss of RM 0.8 million was recorded as compared to foreign exchange gain of RM 3.1 million registered in the corresponding quarter last year.

Total pre-tax profit for the quarter amounted to RM 12.4 million (4Q 2021: RM 16 mil) after incorporating a much lower profit contribution from associate of RM 3.1 million (4Q 2021: 7.2 mil).

Year To Date

For the full year of FY 2022, the Group reported an increase of 25.2% in its total revenue to RM 323.0 million against RM 258.1 million recorded last year.

Revenue generated from the filing division rose by 18.8% in view of the reopening of businesses in both local and oversea markets. In addition, the gradual improvement in business activities has paved the way for a sustainable growth for its consumer and food ware as sales increased to RM 48.7 million from RM 27.3 million recorded one year ago.

On the back of a higher turnover and improved operation efficiency, profit from operations for the year surged from RM 28.3 million to RM 36.4 million. Including the share of associate's profit of RM 13.0 million (FY 2021: RM 22.3 mil), total pre-tax profit for the year amounted to RM 51.5 million (FY 2021: RM 51.4 mil)

B2 Comparison with Preceding Quarter

	31.03.22	30.12.21
	RM'000	RM'000
Revenue	86,972	78,405
Profit Before Tax	12,363	9,011

Revenue for the quarter rose by 10.9% to RM 86.97 million as compared to RM 78.4 million recorded in the preceding quarter as a result of a higher export sales during the quarter.

The successful passing of the partial cost increase to customers has improved the operating margin for the quarter. Coupled with the increase in turnover, pre-tax profit for the quarter improved by 37.2% to RM 12.4 million when compared to RM 9.0 million recorded in the preceding quarter.



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B3 Current Year Prospects

Despite the reopening of economy, business environment will remain volatile in view of the escalating material cost and other operating expenses. In addition, the scarcity of labour will pose another challenge to the operation of the Group. To address the above headwinds, the Group will continue to undertake cost optimization initiatives to become more competitive and cost efficient.

A broader launch of additional products on the local e-commerce platform will further enhance the growth of its consumer and household products. Leveraging on its strong balance sheet position, the Group will continue to explore business opportunities which will provide synergy to its current operation.

On the face of business resilience demonstrated by the Group so far, the Board is confident that the Group will be able to deliver another year of profitable operation for the next financial year ending 31 March 2023.

B4 Profit Forecast or Profit Guarantee

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

B5 Tax Expense

	Year Ended	
	31.03.22	31.03.21
	RM'000	RM'000
Current Tax Expense		
- Current Year	7,512	3,596
- Prior Year	(337)	(75)
	7,175	3,521
Deferred Tax Expense		
- Current Year	946	1,349
- Prior Year	-	(122)
	946	1,227
	<u>8,121</u>	<u>4,748</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

On 13 January 2022, TA Securities Holdings Berhad on behalf of the board announced that the Group proposed to establish an employees' share option scheme ("Proposed ESOS") of up to 10% of the total number of the Group's issued ordinary shares for eligible executive directors and employees of the Group.



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B7 Status of Corporate Proposal Announced (continued)

On 14 January 2022, TA Securities Holdings Berhad on behalf of the board announced that the additional listing application in relation to the Proposed ESOS has been submitted to Bursa Securities. The listing application was subsequently approved by Bursa Securities on 27 January 2022.

The Proposed ESOS was approved by the shareholders at the Extraordinary General Meeting on 04 March 2022.

Save as above, there was no other corporate proposal being announced.

B8 Group Borrowings and Debt Securities

Group borrowings denominated in foreign currency are as follows:

	31.03.22		31.03.21	
	USD '000	RM '000	USD '000	RM '000
Unsecured Current Borrowings	563	2,366	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 of Directors have recommended a final single tier dividend of 2.0 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.

B11 Earnings per Share

	3 Mths Ended		Year Ended	
	31.03.22		31.03.21	
Profit Attributable to Equity Holders of the Company (RM'000)	10,244		43,400	
Weighted Average Number of Ordinary Shares (Unit '000)	194,759		194,759	
Earnings per Share (sen)	5.26		22.28	

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.

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)



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B12 Fair Value of Financial Instruments (continued)

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	Level 2	Level 3	
	RM'000	RM'000	RM'000	
As at 31 March 2022				
<u>Financial Assets</u>				
Financial Assets at Fair Value Through Profit or Loss	80,710	-	-	80,710
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	Year Ended
	31.03.22	31.03.22
	RM'000	RM'000
Distribution income	544	2,305
Interest income	222	682
Other income / (expenses) including investment income	(406)	2,858
Interest expense	(109)	(366)
Depreciation and amortisation	(2,830)	(10,521)
Reversal/(allowance) for doubtful debts	53	(7)
Gain on disposal of property, plant and equipment	9	166
Foreign exchange (loss)/gain	(784)	324

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