



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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	30.06.22	31.03.22
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	112,873	113,988
Right-of-use assets	7,475	8,009
Investment properties	3,877	3,899
Intangible assets	30,234	30,234
Investment in an associate	227,841	229,522
Deferred tax assets	478	325
	382,778	385,977
Current Assets		
Inventories	110,865	109,417
Other investments	4,799	-
Trade and other receivables	67,065	68,150
Current tax assets	-	38
Short-term funds	46,828	80,710
Cash and bank balances	166,790	133,582
	396,347	391,897
TOTAL ASSETS	779,125	777,874
EQUITY AND LIABILITIES		
Share capital	202,331	202,331
Treasury shares	(2)	(2)
Reserves	519,797	514,262
Equity attributable to equity holders of the parent	722,126	716,591
Non-controlling interests	482	468
Total Equity	722,608	717,059
Non-Current Liabilities		
Lease liabilities	2,943	3,573
Deferred tax liabilities	13,724	13,881
	16,667	17,454
Current Liabilities		
Bank borrowings	5,485	2,366
Lease liabilities	1,460	1,427
Trade and other payables	29,309	36,712
Current tax liabilities	3,596	2,856
	39,850	43,361
Total Liabilities	56,517	60,815
TOTAL EQUITY AND LIABILITIES	779,125	777,874
Net assets per share (sen)	(Refer Note A16) 370.78	367.94

The condensed financial statement should be read in conjunction with the audited financial statements for the financial year ended 31 March 2022.



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 2022**

	3 Months Ended		Year Ended	
	30.06.22 RM'000	30.06.21 RM'000	30.06.22 RM'000	30.06.21 RM'000
Revenue	87,741	80,969	87,741	80,969
Operating expenses	(74,559)	(69,279)	(74,559)	(69,279)
Other operating income	288	1,329	288	1,329
Profit from operations	<u>13,470</u>	<u>13,019</u>	<u>13,470</u>	<u>13,019</u>
Finance cost	(80)	(100)	(80)	(100)
Investing results	27	1,209	27	1,209
Share of profit of an associate	(1,785)	5,346	(1,785)	5,346
Profit before tax	<u>11,632</u>	<u>19,474</u>	<u>11,632</u>	<u>19,474</u>
Taxation	(3,490)	(2,665)	(3,490)	(2,665)
Profit for the period	<u>8,142</u>	<u>16,809</u>	<u>8,142</u>	<u>16,809</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	(2,697)	2,090	(2,697)	2,090
Items that will not be reclassified subsequently to profit or loss				
Share of other comprehensive income of equity-accounted associate	104	(7)	104	(7)
Other comprehensive (expense)/income for the period, net of tax	<u>(2,593)</u>	<u>2,083</u>	<u>(2,593)</u>	<u>2,083</u>
Total comprehensive income for the period	<u><u>5,549</u></u>	<u><u>18,892</u></u>	<u><u>5,549</u></u>	<u><u>18,892</u></u>



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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THREE MONTHS PERIOD ENDED 30 JUNE 2022

	3 Months Ended		Year Ended	
	30.06.22	30.06.21	30.06.22	30.06.21
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) attributable to:				
Equity holders of the Company	8,108	16,815	8,108	16,815
Non-controlling interests	34	(6)	34	(6)
Profit for the period	8,142	16,809	8,142	16,809
Total comprehensive income attributable to:				
Equity holders of the Company	5,535	18,890	5,535	18,890
Non-controlling interests	14	2	14	2
Total comprehensive income for the period	5,549	18,892	5,549	18,892
Earning per share attributable to equity holders of the Company (sen)	4.16	8.63	4.16	8.63

The condensed financial statement should be read in conjunction with the audited financial statements for the financial year ended 31 March 2022.



ASIA FILE CORPORATION BHD. (313192-P)
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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THREE MONTHS PERIOD ENDED 30 JUNE 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			
Period ended 30 June 2022							
At 1 April 2021	202,331	(2)	16,603	497,659	716,591	468	717,059
Profit for the period	-	-	-	8,108	8,108	34	8,142
Other comprehensive expense for the period	-	-	(2,573)	-	(2,573)	(20)	(2,593)
Total comprehensive (expense)/income for the period	-	-	(2,573)	8,108	5,535	14	5,549
At 30 June 2022	202,331	(2)	14,030	505,767	722,126	482	722,608
Year ended 31 March 2022							
At 1 April 2021	202,331	(2)	20,152	457,181	679,662	539	680,201
Profit/(Loss) for the year	-	-	-	43,399	43,399	(28)	43,371
Other comprehensive expense for the year	-	-	(3,549)	-	(3,549)	(22)	(3,571)
Total comprehensive (expense)/income for the year	-	-	(3,549)	43,399	39,850	(50)	39,800
Dividend	-	-	-	(2,921)	(2,921)	(21)	(2,942)
At 31 March 2022	202,331	(2)	16,603	497,659	716,591	468	717,059

The condensed financial statement should be read in conjunction with the audited financial statements for the financial year ended 31 March 2022.



ASIA FILE CORPORATION BHD. (313192-P)
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THREE MONTHS PERIOD ENDED
30 JUNE 2022**

	30.06.22	30.06.21
	RM'000	RM'000
Profit before tax	11,632	19,474
Adjustments for:		
Non-cash items	7,214	(3,016)
Non-operating items	(17)	(1,122)
Operating profit before changes in working capital	18,829	15,336
Changes in working capital		
Net change in current assets	(4,588)	430
Net change in current liabilities	(8,809)	(7,590)
	(13,397)	(7,160)
Net cash from operating activities	5,432	8,176
Investing activities		
Equity investments	-	(9,899)
Other investments	27,130	(70,753)
Net cash from/(used in) investing activities	27,130	(80,652)
Financing activities		
Bank borrowings, net	3,009	(2,897)
Interest paid	(38)	(100)
Repayment of lease liabilities	(488)	(381)
Net cash from/(used in) financing activities	2,483	(3,378)
Net change in cash & cash equivalents	35,045	(75,854)
Cash & cash equivalents at beginning of period	133,582	215,198
Effects of exchange rates changes	(1,837)	1,411
Cash & cash equivalents at end of period	166,790	140,755

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:

	30.06.22	30.06.21
	RM'000	RM'000
Cash and bank balances	166,790	140,755

The condensed financial statement should be read in conjunction with the audited financial statements for the financial year ended 31 March 2022.



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NOTES TO THE INTERIM FINANCIAL REPORT FOR THREE MONTHS PERIOD ENDED 30 JUNE 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 2022 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 2022, 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 2023, as disclosed below:

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

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 101, <i>Presentation of Financial Statements: Classification of Liabilities as Current or Non-current</i>	1 Jan 2023
MFRS 17, <i>Insurance Contracts</i>	1 Jan 2023
Amendments to MFRS 17, <i>Insurance Contracts</i>	1 Jan 2023
Amendments to MFRS 17, <i>Insurance Contracts, Initial Application of MFRS 17 and MFRS9 – Comparative Information</i>	1 Jan 2023
Amendments to MFRS 101, <i>Presentation of Financial Statements: Disclosure of Accounting Policies</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



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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 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 2022.

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 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)

3 months ended 30.06.2022

	Filing Products RM'000	Consumer & Food Ware Products RM'000	Others RM'000	Total RM'000
Revenue from external customers	73,278	14,458	5	87,741
Operating profit	11,274	2,368	(172)	13,470
Reconciliation of reportable segment profit:				
Operating profit for reportable segments				13,470
Finance cost				(80)
Investing results				27
Share of profit of an associate				(1,785)
Consolidated profit before taxation				<u><u>11,632</u></u>

3 months 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>

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 RM150.40mil (31 March 2022: RM147.60mil) of which RM5.80mil (31 March 2022: RM2.75mil) were utilised at the end of the quarter.
- (ii) The Company has also given corporate guarantee of RM10.68mil (31 March 2022: RM11.04mil) to a supplier of its subsidiary, Higher Kings Mill Limited of which RM2.37mil (31 March 2022: RM1.88mil) was utilised at the end of the quarter.

A14 Capital Commitments

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

	30.06.22
	RM'000
Approved and contracted for:	
Machinery and Equipment	<u>2,203</u>

A15 Intangible Assets

	30.06.22	31.03.22
	RM'000	RM'000
Goodwill	<u>30,234</u>	<u>30,234</u>

A16 Net Assets per Share (sen)

	30.06.22	31.03.22
Shareholders' Fund (RM '000)	722,126	716,591
Share Capital (Unit '000)	194,759	194,759
Net Assets per Share (sen)	<u>370.78</u>	<u>367.94</u>

B ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1 Review of Performance

Current Quarter

For the current quarter, the Group reported total revenue of RM 87.7 million which represented an improvement of 8.3% when compared with RM 81.0 million recorded in June quarter last year.

Revenue from Consumer and Food Ware division increased by 32.2% while turnover from the filing business expanded by 4.6% during the quarter when compared with the corresponding quarter last year.

Despite the improvement in its operating profit from RM 13.0 million to RM 13.5 million, profit before tax dipped to RM 11.6 million from RM 19.5 million achieved one year ago.



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B1 Review of Performance (continued)

Current Quarter (continued)

Although the group has successfully passed some of the operating cost increases to its customers, its operating results have been impacted by unfavorable movement in exchange rates. When compared with the corresponding quarter last year, both GBP and EURO have weakened against USD by more than 10%. As a result, a total foreign exchange loss of RM 1.9 million was recorded for the current quarter as compared with the foreign exchange gain of RM 3.6 million registered in the corresponding quarter last year.

In addition, the Group's result was also affected by the performance of its associate where a loss of RM 1.8 million was recorded as opposed to RM 5.3 million of profit shared in Q1 last year.

B2 Comparison with Preceding Quarter

	30.06.22	31.03.22
	RM'000	RM'000
Revenue	87,741	86,972
Operating Profit	13,470	9,194
Profit Before Tax	11,632	12,363

Revenue for the current quarter of RM 87.7 million remained consistent with RM 87.0 million posted in the preceding quarter.

With the successful passing of cost to the customers and also improvement in operation efficiency, operating profit surged by 46.7% from RM 9.2 million to RM13.5 million when compared with March quarter. However after taking into consideration the share of loss from associate of RM 1.8 million as opposed to share of profit of RM 3.1 million in preceding quarter, profit before tax dropped to RM 11.6 million from RM 12.4 million achieved in the preceding quarter.

B3 Current Year Prospects

Despite the reopening of economy, business outlook remain cautious due to inflation and recession concerns. The on-going disruptions in the global supply chain which have been made worse by the prolonged Ukraine-Russia military conflict and China's zero-Covid policy, will continue to pose challenges to the business community. The Group is fortunate to have a strong financial resources to buffer it well from the rising interest rate while continue to build its resilience in expanding its revenue growth. With the various proactive initiatives taken to improve its operation efficiencies to remain competitive in the market, the Group is confident that its operating result will remain positive for the financial year ending 31 March 2023.

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 months ended	
	30.06.22	30.06.21
	RM'000	RM'000
Current Tax Expense		
- Current Year	3,674	2,195
Deferred Tax Expense		
- Current Year	(184)	470
	3,490	2,665
	3,490	2,665

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 4th March 2022, all ordinary resolutions in relation to the Proposed Employees' Share Option Scheme ("ESOS") were duly passed by the shareholders of the Company at the Extraordinary General Meeting.

TA Securities Holdings Berhad on behalf of the Board announced that the effective date of implementation of the ESOS was on 8 March 2022, which is the date of full compliance of the ESOS in accordance with the Paragraph 6.43(1) of the Listing Requirements.

On 24th June 2022, the Company has announced that it has allocated 11,033,000 options pursuant to the ESOS at an exercise price of RM1.5542 per share to eligible director and employees of the Group.

The Options shall be exercisable in the following manner until the expiry of the ESOS on 7 March 2027:-

Tranches	Vesting period
1 st year : 15% of the Options	From 24 June 2022 until 7 March 2027
2 nd year : 15% of the Options	From 24 June 2023 until 7 March 2027
3 rd year : 20% of the Options	From 24 June 2024 until 7 March 2027
4 th year : 20% of the Options	From 24 June 2025 until 7 March 2027
5 th year : 30% of the Options	From 24 June 2026 until 7 March 2027

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:

	30.06.22		31.03.22	
	USD '000	RM '000	USD '000	RM '000
Unsecured Current Borrowings	1,247	5,485	563	2,366
	1,247		2,366	
	1,247		2,366	



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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 months ended	
	30.06.22	30.06.21
Profit Attributable to Equity Holders of the Company (RM'000)	8,108	16,815
Weighted Average Number of Ordinary Shares (Unit '000)	194,759	194,759
Earnings per Share (sen)	<u>4.16</u>	<u>8.63</u>

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)

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
	Level 1	Level 2	Level 3	
	RM'000	RM'000	RM'000	RM'000
As at 30 June 2022				
<u>Financial Assets</u>				
Financial Assets at Fair Value				
Through Profit or Loss	46,828	4,799	-	51,627
As at 31 March 2022				
<u>Financial Assets</u>				
Financial Assets at Fair Value				
Through Profit or Loss	80,710	-	-	80,710



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B13 Profit Before Tax

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

	3 Mths Ended	
	30.06.22	30.06.21
	RM'000	RM'000
Distribution income	211	639
Interest income	483	271
Other (expenses)/income including investment income	(447)	1,616
Interest expense	(80)	(100)
Depreciation and amortisation	(2,906)	(2,561)
Reversal/(allowance) for doubtful debts	14	(75)
Gain on disposal of property, plant and equipment	69	12
Foreign exchange (loss)/gain	(1,901)	3,569

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