



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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022

	30.09.22	31.03.22
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	111,167	113,988
Right-of-use assets	6,976	8,009
Investment properties	3,856	3,899
Intangible assets	30,234	30,234
Investment in an associate	224,327	229,522
Deferred tax assets	475	325
	377,035	385,977
Current Assets		
Inventories	109,080	109,417
Other investments	4,761	-
Trade and other receivables	54,995	68,150
Current tax assets	20	38
Short-term funds	48,235	80,710
Cash and bank balances	182,927	133,582
	400,018	391,897
TOTAL ASSETS	777,053	777,874
EQUITY AND LIABILITIES		
Share capital	202,380	202,331
Treasury shares	(2)	(2)
Reserves	525,164	514,262
Equity attributable to equity holders of the parent	727,542	716,591
Non-controlling interests	481	468
Total Equity	728,023	717,059
Non-Current Liabilities		
Lease liabilities	2,494	3,573
Deferred tax liabilities	13,482	13,881
	15,976	17,454
Current Liabilities		
Bank borrowings	662	2,366
Lease liabilities	1,347	1,427
Trade and other payables	26,454	36,712
Current tax liabilities	4,591	2,856
	33,054	43,361
Total Liabilities	49,030	60,815
TOTAL EQUITY AND LIABILITIES	777,053	777,874
Net assets per share (sen)	(Refer Note A16)	373.51
		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 HALF YEAR ENDED 30 SEPTEMBER 2022**

	3 Months Ended		Half Year Ended	
	30.09.22 RM'000	30.09.21 RM'000	30.09.22 RM'000	30.09.21 RM'000
Revenue	76,969	76,672	164,710	157,641
Operating expenses	(69,185)	(68,193)	(143,744)	(137,472)
Other operating income	210	525	498	1,854
Profit from operations	<u>7,994</u>	<u>9,004</u>	<u>21,464</u>	<u>22,023</u>
Finance cost	(91)	(96)	(171)	(196)
Investing results	950	803	977	2,012
Share of profit of an associate	692	934	(1,093)	6,280
Profit before tax	<u>9,545</u>	<u>10,645</u>	<u>21,177</u>	<u>30,119</u>
Taxation	(1,758)	(2,089)	(5,248)	(4,754)
Profit for the period	<u>7,787</u>	<u>8,556</u>	<u>15,929</u>	<u>25,365</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	(2,438)	(2,571)	(5,135)	(481)
Items that will not be reclassified subsequently to profit or loss				
Share of other comprehensive (expense)/income of equity-accounted associate	(592)	(356)	(488)	(363)
Other comprehensive expense for the period, net of tax	<u>(3,030)</u>	<u>(2,927)</u>	<u>(5,623)</u>	<u>(844)</u>
Total comprehensive income for the period	<u>4,757</u>	<u>5,629</u>	<u>10,306</u>	<u>24,521</u>



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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR HALF YEAR ENDED 30 SEPTEMBER 2022

	3 Months Ended		Half Year Ended	
	30.09.22	30.09.21	30.09.22	30.09.21
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) attributable to:				
Equity holders of the Company	7,769	8,577	15,877	25,392
Non-controlling interests	18	(21)	52	(27)
Profit for the period	7,787	8,556	15,929	25,365
Total comprehensive income attributable to:				
Equity holders of the Company	4,758	5,661	10,293	24,551
Non-controlling interests	(1)	(32)	13	(30)
Total comprehensive income for the period	4,757	5,629	10,306	24,521
Earnings per share attributable to owners of the Company (sen)				
- Basic	3.99	4.40	8.15	13.04
- Diluted	3.96	-	8.07	-

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 HALF YEAR ENDED 30 SEPTEMBER 2022

	← Attributable to owners of the Company →					Total	Non-Controlling Interests	Total Equity
	Share Capital	Treasury Shares	Share option reserve	Translation Reserve	Retained Earnings			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Period ended 30 September 2022								
At 1 April 2022	202,331	(2)	-	16,603	497,659	716,591	468	717,059
Profit for the period	-	-	-	-	15,877	15,877	52	15,929
Other comprehensive expense for the period	-	-	-	(5,584)	-	(5,584)	(39)	(5,623)
Total comprehensive (expense)/income for the period	-	-	-	(5,584)	15,877	10,293	13	10,306
Share options granted under ESOS	-	-	618	-	-	618	-	618
Share option exercised	9	-	(9)	-	-	-	-	-
Ordinary shares issued pursuant to ESOS	40	-	-	-	-	40	-	40
Total transactions with owners	49	-	609	-	-	658	-	658
At 30 September 2022	202,380	(2)	609	11,019	513,536	727,542	481	728,023
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 HALF YEAR ENDED
30 SEPTEMBER 2022**

	30.09.22	30.09.21
	RM'000	RM'000
Profit before tax	21,177	30,119
Adjustments for:		
Non-cash items	10,444	(456)
Non-operating items	(942)	(1,632)
Operating profit before changes in working capital	30,679	28,031
Changes in working capital		
Net change in current assets	6,412	(8,670)
Net change in current liabilities	(11,456)	(6,632)
	(5,044)	(15,302)
Net cash from operating activities	25,635	12,729
Investing activities		
Equity investments	3,613	(20,598)
Other investments	25,507	(97,749)
Net cash from/(used in) investing activities	29,120	(118,347)
Financing activities		
Bank borrowings, net	(1,737)	(20,390)
Interest paid	(88)	(196)
Repayment of lease liabilities	(897)	(773)
Proceeds from issuance of ordinary shares	40	-
Net cash from/(used in) financing activities	(2,682)	(21,359)
Net change in cash & cash equivalents	52,073	(126,977)
Cash & cash equivalents at beginning of period	133,582	215,198
Effects of exchange rates changes	(2,728)	(445)
Cash & cash equivalents at end of period	182,927	87,776

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:

	30.09.22	30.09.21
	RM'000	RM'000
Cash and bank balances	182,927	87,776

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 HALF YEAR ENDED 30 SEPTEMBER 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 2022, 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

25,500 ordinary shares were issued pursuant to the Employees' Share Option Scheme ("ESOS") during the financial quarter and financial year to date. Subsequent to the financial quarter ended 30 September 2022, 7,800 ordinary shares were issued pursuant to the Employee Share Option Scheme.

A total of 500 shares were retained as treasury shares as at 30 September 2022.

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities other than disclosed above.

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 30.09.2022

	Filing Products RM'000	Consumer & Food Ware Products RM'000	Others RM'000	Total RM'000
Revenue from external customers	138,324	26,375	11	164,710
Operating profit	18,205	3,634	(375)	21,464
Reconciliation of reportable segment profit:				
Operating profit for reportable segments				21,464
Finance cost				(171)
Investing results				977
Share of profit of an associate				(1,093)
Consolidated profit before taxation				<u><u>21,177</u></u>

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>

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 RM153.62mil (31 March 2022: RM147.60mil) of which RM0.91mil (31 March 2022: RM2.75mil) were utilised at the end of the quarter.
- (ii) The Company has also given corporate guarantee of RM10.34mil (31 March 2022: RM11.04mil) to a supplier of its subsidiary, Higher Kings Mill Limited of which RM2.38mil (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.

	30.09.22
	RM'000
Approved and contracted for:	
Machinery and Equipment	<u>2,016</u>

A15 Intangible Assets

	30.09.22	31.03.22
	RM'000	RM'000
Goodwill	<u>30,234</u>	<u>30,234</u>

A16 Net Assets per Share (sen)

	30.09.22	31.03.22
Shareholders' Fund (RM '000)	727,542	716,591
Share Capital (Unit '000)	194,785	194,759
Net Assets per Share (sen)	<u>373.51</u>	<u>367.94</u>

B ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1 Review of Performance

Current Quarter

The Group recorded a total revenue of RM 77.0 million as compared with RM 76.7 million achieved in the corresponding quarter last year. Out of the total turnover generated during the quarter, RM 65.1 million was from the filing division while the remaining RM 11.9 million was contributed by the Consumer and Food ware division.

Profit before tax for the quarter dropped from RM 10.6 million to RM 9.5 million. The weakening of both GBP and EURO has affected the bottom line of the Group. When compared with September 2021, GBP/MYR contracted from 5.65 to 5.17 while EURO/MYR dropped from 4.85 to 4.55 end of September 2022. In addition, the significant drop in GBP/USD and EURO/USD of more than 15% since one year ago has added pressure to the group's operating margin as majority of export proceeds are denominated in GBP and EURO while imports are primarily denominated in USD.



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B1 Review of Performance (continued)

Year To Date

Total revenue for the six months' period increased by 4.5% from RM 157.6 million to RM 164.7 million. Despite the above increase, pretax profit slipped from RM 30.1 million to RM 21.2 million.

During the period, total foreign exchange loss of RM 4.0 million was incurred as compared to foreign exchange gain of RM 3.1 million recorded during the corresponding period. The result for the period was also adversely affected by the sharing of associate's loss of RM 1.1 million as compared to share of profit of RM 6.3 million last year.

B2 Comparison with Preceding Quarter

	30.09.22	30.06.22
	RM'000	RM'000
Revenue	76,969	87,741
Operating Profit	7,994	13,470
Profit Before Tax	9,545	11,632

Based on a lower turnover, profit before tax declined to RM 9.5 million in the second quarter as compared to RM 11.6 million achieved in the preceding quarter. In addition, the operation in overseas was also affected by higher operating cost in particular the significant increase in energy cost during the quarter.

B3 Current Year Prospects

Recent economy indicators pointed to a general slowdown in global economy while inflation remains elevated. Being a consumer industry player, this will no doubt pose a challenging operating landscape to the Group. With the previous effort taken in diversifying the business segment to include recyclable food ware and household products, the Group is confident that it will help to fuel growth in revenue and set the foundation to expand its product range and also penetration into new markets. The Group's strong balance sheet position has enabled it to better manage the currency volatility while efforts have been taken to rebalance its currency exposure in material procurement. Despite the anticipated challenges, the Group is confident that it is well positioned to achieve another year of profitable performance for the financial year ending 31 March 2023.



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B4 Profit Forecast or Profit Guarantee

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

B5 Tax Expense

	Half Year Ended	
	30.09.22	30.09.21
	RM'000	RM'000
Current Tax Expense		
- Current Year	6,133	4,843
- Prior Year	(562)	-
	5,571	4,843
Deferred Tax Expense		
- Current Year	(323)	(89)
	5,248	4,754

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

As at 21 November 2022, being the latest practicable date, which is not earlier than 7 days from the date of issue of this quarterly report, there were no corporate proposals announced and pending completion.

B8 Group Borrowings and Debt Securities

Group borrowings denominated in foreign currency are as follows:

	30.09.22		31.03.22	
	USD '000	RM '000	USD '000	RM '000
Unsecured Current Borrowings	143	662	563	2,366

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.



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B11 Earnings per Share

	3 months ended 30.09.22	Half Year Ended 30.09.22
Basic earnings per share		
Profit Attributable to Equity Holders of the Company (RM'000)	7,769	15,877
Weighted Average Number of Ordinary Shares (Unit '000)	194,785	194,785
Earnings per Share (sen)	3.99	8.15
	3 months ended 30.09.22	Half Year Ended 30.09.22
Diluted earnings per share		
Profit Attributable to Equity Holders of the Company (RM'000)	7,769	15,877
Weighted Average Number of Ordinary Shares (Unit '000)	194,785	194,785
Adjustment for share options (Unit'000)	1,450	1,943
Weighted Average Number of Ordinary Shares for Diluted Earnings Per Share (Unit '000)	196,235	196,728
Earnings per Share (sen)	3.96	8.07

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)



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B12 Fair Value of Financial Instruments (continued)

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 30 September 2022				
<u>Financial Assets</u>				
Financial Assets at Fair Value				
Through Profit or Loss	48,235	4,761	-	52,996
As at 31 March 2022				
<u>Financial Assets</u>				
Financial Assets at Fair Value				
Through Profit or Loss	80,710	-	-	80,710

B13 Profit Before Tax

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

	3 months ended 30.09.22 RM'000	Half Year Ended 30.09.22 RM'000
Distribution income	18	229
Interest income	643	1,126
Other income including investment income	491	44
Interest expense	(91)	(171)
Depreciation and amortisation	(2,791)	(5,697)
Reversal for doubtful debts	7	21
Gain on disposal of property, plant and equipment	8	77
Foreign exchange loss	(2,115)	(4,016)
Share option expenses	(618)	(618)

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