



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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

	31.03.23	31.03.22	
	RM'000	RM'000	
ASSETS			
Non-Current Assets			
Property, plant and equipment	110,352	113,988	
Right-of-use assets	6,379	8,009	
Investment properties	3,813	3,899	
Intangible assets	30,234	30,234	
Investment in an associate	217,847	229,522	
Deferred tax assets	400	325	
	<u>369,025</u>	<u>385,977</u>	
Current Assets			
Inventories	97,646	109,417	
Other investments	25,048	-	
Trade and other receivables	60,918	68,150	
Current tax assets	7	38	
Short-term funds	1,013	80,710	
Cash and bank balances	248,062	133,582	
	<u>432,694</u>	<u>391,897</u>	
TOTAL ASSETS	<u><u>801,719</u></u>	<u><u>777,874</u></u>	
EQUITY AND LIABILITIES			
Share capital	202,434	202,331	
Treasury shares	(2)	(2)	
Reserves	545,706	514,262	
Equity attributable to equity holders of the parent	<u>748,138</u>	<u>716,591</u>	
Non-controlling interests	543	468	
Total Equity	<u>748,681</u>	<u>717,059</u>	
Non-Current Liabilities			
Lease liabilities	1,824	3,573	
Deferred tax liabilities	16,091	13,881	
	<u>17,915</u>	<u>17,454</u>	
Current Liabilities			
Bank borrowings	-	2,366	
Lease liabilities	1,291	1,427	
Trade and other payables	29,782	36,712	
Current tax liabilities	4,050	2,856	
	<u>35,123</u>	<u>43,361</u>	
Total Liabilities	<u>53,038</u>	<u>60,815</u>	
TOTAL EQUITY AND LIABILITIES	<u><u>801,719</u></u>	<u><u>777,874</u></u>	
Net assets per share (sen)	(Refer Note A16)	384.03	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 YEAR ENDED 31 MARCH 2023**

	3 Months Ended		Year Ended	
	31.03.23 RM'000	31.03.22 RM'000	31.03.23 RM'000	31.03.22 RM'000
Revenue	78,257	86,972	317,565	323,018
Operating expenses	(63,472)	(78,014)	(270,657)	(290,136)
Other operating income	207	236	914	3,494
Profit from operations	14,992	9,194	47,822	36,376
Finance cost	(32)	(109)	(224)	(366)
Investing results	2,259	133	4,887	2,517
Share of profit of an associate	(3,942)	3,145	(8,665)	12,966
Profit before tax	13,277	12,363	43,820	51,493
Taxation	(3,922)	(2,104)	(12,108)	(8,121)
Profit for the period	9,355	10,259	31,712	43,372
Other comprehensive income/(expense), net of tax				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operations	3,096	(1,536)	1,264	(3,893)
Items that will not be reclassified subsequently to profit or loss				
Share of other comprehensive (expense)/income of equity-accounted associate	1,141	318	604	321
Other comprehensive income/(expense) for the period, net of tax	4,237	(1,218)	1,868	(3,572)
Total comprehensive income for the period	13,592	9,041	33,580	39,800



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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR YEAR ENDED 31 MARCH 2023

	3 Months Ended		Year Ended	
	31.03.23	31.03.22	31.03.23	31.03.22
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) attributable to:				
Equity holders of the Company	9,356	10,244	31,633	43,400
Non-controlling interests	(1)	15	79	(28)
Profit for the period	9,355	10,259	31,712	43,372
Total comprehensive income attributable to:				
Equity holders of the Company	13,574	9,037	33,505	39,850
Non-controlling interests	18	4	75	(50)
Total comprehensive income for the period	13,592	9,041	33,580	39,800
Earnings per share attributable to owners of the Company (sen)				
- Basic	4.80	5.26	16.24	22.28
- Diluted	4.78	-	16.11	-

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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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR YEAR ENDED 31 MARCH 2023

	← Attributable to owners of the Company →					Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Non-distributable Share option reserve RM'000	Translation Reserve RM'000	Distributable Retained Earnings RM'000			
Period ended 31 March 2023								
At 1 April 2022	202,331	(2)	-	16,602	497,660	716,591	468	717,059
Profit for the period	-	-	-	-	31,633	31,633	79	31,712
Other comprehensive expense for the year	-	-	-	1,872	-	1,872	(4)	1,868
Total comprehensive income for the year	-	-	-	1,872	31,633	33,505	75	33,580
Share options granted under ESOS	-	-	1,855	-	-	1,855	-	1,855
Transfer of share option reserve to retained earnings upon lapse of ESOS	-	-	(43)	-	43	-	-	-
Share option exercised	20	-	(20)	-	-	-	-	-
Ordinary shares issued pursuant to ESOS	83	-	-	-	-	83	-	83
Total transactions with owners	103	-	1,792	-	43	1,938	-	1,938
Dividend	-	-	-	-	(3,896)	(3,896)	-	(3,896)
At 31 March 2023	202,434	(2)	1,792	18,474	525,440	748,138	543	748,681
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	-	-	-	-	43,400	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

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 YEAR ENDED 31 MARCH 2023

	31.03.23	31.03.22
	RM'000	RM'000
Profit before tax	43,820	51,493
Adjustments for:		
Non-cash items	18,761	(3,176)
Non-operating items	(4,730)	(2,316)
Operating profit before changes in working capital	57,851	46,001
Changes in working capital		
Net change in current assets	19,963	(17,757)
Net change in current liabilities	(16,234)	(14,097)
	3,729	(31,854)
Net cash from operating activities	61,580	14,147
Investing activities		
Equity investments	3,613	(45,717)
Other investments	53,694	(19,133)
Net cash from/(used in) investing activities	57,307	(64,850)
Financing activities		
Dividend paid	(3,896)	(2,942)
Bank borrowings, net	(2,366)	(23,802)
Interest paid	(77)	(171)
Repayment of lease liabilities	(1,946)	(2,241)
Proceeds from issuance of ordinary shares	84	-
Net cash used in financing activities	(8,201)	(29,156)
Net change in cash & cash equivalents	110,686	(79,859)
Cash & cash equivalents at beginning of year	133,582	215,198
Effects of exchange rates changes	3,794	(1,757)
Cash & cash equivalents at end of year	248,062	133,582

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:

	31.03.23	31.03.22
	RM'000	RM'000
Cash and bank balances	248,062	133,582

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 YEAR ENDED 31 MARCH 2023

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

53,800 ordinary shares were issued pursuant to the Employees' Share Option Scheme ("ESOS") during the financial year to date. Subsequent to the financial year ended 31 March 2023, no ordinary shares were issued pursuant to the Employee Share Option Scheme.

A total of 500 shares were retained as treasury shares as at 31 March 2023.

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)

Year Ended 31.03.2023

	Filing Products RM'000	Consumer & Food Ware Products RM'000	Others RM'000	Total RM'000
Revenue from external customers	267,902	49,585	78	317,565
Operating profit	40,514	7,471	(163)	47,822

Reconciliation of reportable segment profit:

Operating profit for reportable segments	47,985
Operating profit for non-reportable segment	(163)
Finance cost	(224)
Investing results	4,887
Share of profit of an associate	(8,665)
Consolidated profit before taxation	43,820

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	26,455	9,264	(510)	35,209

Reconciliation of reportable segment profit:

Operating profit for reportable segments	35,719
Operating profit for non-reportable segment	(510)
Gain on bargain purchase	1,167
Finance cost	(366)
Investing results	2,517
Share of profit of an associate	12,966
Consolidated profit before taxation	51,493

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 RM150.54mil (31 March 2022: RM147.60mil) of which RM0.11mil (31 March 2022: RM2.75mil) were utilised at the end of the quarter.
- (ii) The Company has also given corporate guarantee of RM10.92mil (31 March 2022: RM11.04mil) to a supplier of its subsidiary, Higher Kings Mill Limited of which RM0.88mil (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.

	31.03.23
	RM'000
Approved and contracted for:	
Machinery and Equipment	<u>1,495</u>

A15 Intangible Assets

	31.03.23	31.03.22
	RM'000	RM'000
Goodwill	<u>30,234</u>	<u>30,234</u>

A16 Net Assets per Share (sen)

	31.03.23	31.03.22
Shareholders' Fund (RM '000)	748,138	716,591
Share Capital (Unit '000)	194,813	194,759
Net Assets per Share (sen)	<u>384.03</u>	<u>367.94</u>

B ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1 Review of Performance

Current Quarter

For the quarter ended March 2023, the Group posted a total revenue of RM 78.3 million as compared to RM 87.0 million achieved in the corresponding quarter last year. The overall weaker consumer spending has impacted the Groups revenue. Local sales contracted by nearly 20% while oversea filing sales remain consistent when compared with the corresponding period last year.

Despite the drop in revenue, operating profit rose from RM 9.2 million to RM 15.0 million during the same period. The operating margin improved significantly from 10.6% in 4Q 2022 to 19.2% during the quarter under review. The margin expansion was achieved on the premise of better cost control, optimization of resources at the Group level as well as lower freight rates incurred during the quarter. We have supported our customers in the United Kingdom and Europe by absorbing substantial amount of high freight cost last year. In addition, the favorable foreign exchange movement resulted in foreign exchange gain of RM 2.9 million compared to exchange loss of RM 0.8 million suffered last year.



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B1 Review of Performance (continued)

Current Quarter (continued)

Pre-tax profit for the quarter was RM 13.3 million compared to RM 12.4 million achieved last year after taking into consideration the followings:-

- Investing result which rose from RM 0.13 million to RM 2.3 million;
- Share of loss in associate of RM 3.9 million as opposed to share of profit of RM 3.1 million recorded last year.

Year to date

Total revenue for the financial year ended 31 March 2023 stands at RM 317.6 million as compared to RM 323.0 million recorded one year ago. While the filing division recorded a slight drop of 2.3% in revenue, the recyclable food ware and consumer ware posted an increase of 1.7% in revenue during the year.

Although revenue remain fairly consistent, operating margin surged by 31.3% from RM 36.4 million to RM 47.8 million. Stringent cost control measures including an effective procurement strategy coupled with the continuous effort in improving operation efficiency have contributed positively towards a better margin for the year.

During the year, the Group reported a total pre-tax profit of RM 43.8 million (FY 2022: RM 51.5 million) after taking into consideration the share of loss of associate of RM 8.7 million as compared to share of profit of RM 13.0 million last year.

B2 Comparison with Preceding Quarter

	31.03.23	31.12.22
	RM'000	RM'000
Revenue	78,257	74,598
Operating Profit	14,992	11,366
Profit Before Tax	13,277	9,366

On the back of a higher turnover and improved operation efficiency, operating profit increased to RM 15.0 million from RM 11.4 million recorded in the preceding quarter.

Profit before tax increases from RM 9.4 million to RM 13.3 million after incorporating the share of loss from associate of RM 3.9 million (3Q 2023: loss RM 3.6 million)

B3 Current Year Prospects

Overall consumer market remain soft as inflationary pressure, labour shortages, high operating cost and mounting risk of global recession have an adverse impact on consumer spending. This will pose a challenging landscape for the Group to navigate through in the short to medium terms. The Group will strive to achieve profitable growth by adapting to the ever changing demands of consumers, continuous investment in product innovation as well as focusing on enhanced penetration on digital platforms.

As the Group embarks on its various product expansion plans as well as broadening its geographical outreach especially for its recyclable consumer wares, it is confident of delivering a profitable performance for the financial year ending 31 March 2024.



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B4 Profit Forecast or Profit Guarantee

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

B5 Tax Expense

	Year Ended	
	31.03.23	31.03.22
	RM'000	RM'000
Current Tax Expense		
- Current Year	10,381	7,511
- Prior Year	(287)	(337)
	10,094	7,174
Deferred Tax Expense		
- Current Year	2,014	895
- Prior Year	-	52
	2,014	947
	12,108	8,121

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 22 May 2023, 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:

	31.03.23		31.03.22	
	USD '000	RM '000	USD '000	RM '000
Unsecured Current Borrowings	-	-	563	2,366
	-		2,366	

B9 Other Investments

	31.03.23	31.03.22
	RM'000	RM'000
Current Assets		
Fair Value through Profit or Loss:		
Investment in bond fund	25,048	-

B10 Changes in Material Litigation

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



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B10 Dividends Proposed

The Board of Directors have recommended a final single tier dividend of 3.5 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 months Ended 31.03.23	Year Ended 31.03.23
Basic earnings per share		
Profit Attributable to Equity Holders of the Company (RM'000)	9,356	31,633
Weighted Average Number of Ordinary Shares (Unit '000)	194,777	194,786
Earnings per Share (sen)	4.80	16.24
	3 months Ended 31.03.23	Year Ended 31.03.23
Diluted earnings per share		
Profit Attributable to Equity Holders of the Company (RM'000)	9,356	31,633
Weighted Average Number of Ordinary Shares (Unit '000)	194,777	194,786
Adjustment for share options (Unit'000)	1,142	1,568
Weighted Average Number of Ordinary Shares for Diluted Earnings Per Share (Unit '000)	195,919	196,354
Earnings per Share (sen)	4.78	16.11

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 31 March 2023				
<u>Financial Assets</u>				
Financial Assets at Fair Value				
Through Profit or Loss	1,013	25,048	-	26,061
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 31.03.23 RM'000	Year Ended 31.03.23 RM'000
Distribution income	3	224
Interest income	2,216	4,455
Other income including investment income	241	1,040
Interest expense	(32)	(224)
Depreciation and amortisation	(2,861)	(11,393)
Allowance for doubtful debts	(30)	(11)
Gain on disposal of property, plant and equipment	5	82
Foreign exchange gain	2,910	1,036
Share option expenses	(629)	(1,855)

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