



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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	30.06.23	31.03.23
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	111,823	110,352
Right-of-use assets	6,192	6,379
Investment properties	3,791	3,813
Intangible assets	30,234	30,234
Investment in an associate	215,839	217,847
Other investments	25,136	25,048
Deferred tax assets	250	400
	<u>393,265</u>	<u>394,073</u>
Current Assets		
Inventories	96,630	97,646
Trade and other receivables	58,737	60,918
Other investments	4	1,013
Current tax assets	12	7
Cash and bank balances	277,582	248,062
	<u>432,965</u>	<u>407,646</u>
TOTAL ASSETS	<u><u>826,230</u></u>	<u><u>801,719</u></u>
EQUITY AND LIABILITIES		
Share capital	202,434	202,434
Treasury shares	(1,214)	(2)
Reserves	571,481	545,707
Equity attributable to equity holders of the parent	<u>772,701</u>	<u>748,139</u>
Non-controlling interests	633	543
Total Equity	<u>773,334</u>	<u>748,682</u>
Non-Current Liabilities		
Lease liabilities	1,529	1,824
Deferred tax liabilities	15,634	16,091
	<u>17,163</u>	<u>17,915</u>
Current Liabilities		
Lease liabilities	1,326	1,290
Trade and other payables	29,068	29,782
Current tax liabilities	5,339	4,050
	<u>35,733</u>	<u>35,122</u>
Total Liabilities	<u>52,896</u>	<u>53,037</u>
TOTAL EQUITY AND LIABILITIES	<u><u>826,230</u></u>	<u><u>801,719</u></u>
Net assets per share (sen)	(Refer Note A16) 396.64	384.03

The condensed financial statement should be read in conjunction with the audited financial statements for the financial year ended 31 March 2023.



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 2023**

	3 Months Ended		Year Ended	
	30.06.23 RM'000	30.06.22 RM'000	30.06.23 RM'000	30.06.22 RM'000
Revenue	75,649	87,741	75,649	87,741
Operating expenses	(57,823)	(74,559)	(57,823)	(74,559)
Other operating income	229	288	229	288
Profit from operations	18,055	13,470	18,055	13,470
Finance cost	(30)	(80)	(30)	(80)
Investing results	2,901	27	2,901	27
Share of loss of an associate	(2,774)	(1,785)	(2,774)	(1,785)
Profit before tax	18,152	11,632	18,152	11,632
Taxation	(2,135)	(3,490)	(2,135)	(3,490)
Profit for the period	16,017	8,142	16,017	8,142
Other comprehensive income/(expense), net of tax				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operations	8,804	(2,697)	8,804	(2,697)
Items that will not be reclassified subsequently to profit or loss				
Share of other comprehensive income of equity-accounted associate	765	104	765	104
Other comprehensive income/(expense) for the period, net of tax	9,569	(2,593)	9,569	(2,593)
Total comprehensive income for the period	25,586	5,549	25,586	5,549



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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THREE MONTHS PERIOD ENDED 30 JUNE 2023

	3 Months Ended		Year Ended	
	30.06.23 RM'000	30.06.22 RM'000	30.06.23 RM'000	30.06.22 RM'000
Profit/(Loss) attributable to:				
Equity holders of the Company	15,981	8,108	15,981	8,108
Non-controlling interests	36	34	36	34
Profit for the period	16,017	8,142	16,017	8,142
Total comprehensive income attributable to:				
Equity holders of the Company	25,496	5,535	25,496	5,535
Non-controlling interests	90	14	90	14
Total comprehensive income for the period	25,586	5,549	25,586	5,549
Earnings per share attributable to owners of the Company (sen)				
- Basic	8.21	4.16	8.21	4.16
- Diluted	8.16	4.16	8.16	4.16

The condensed financial statement should be read in conjunction with the audited financial statements for the financial year ended 31 March 2023.



ASIA FILE CORPORATION BHD. (313192-P)
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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THREE MONTHS PERIOD ENDED 30 JUNE 2023

	← Attributable to owners of the Company →					Total	Non-Controlling Interests	Total Equity
	Share Capital	Treasury Shares	Non-distributable Share option reserve	Translation Reserve	Distributable Retained Earnings			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Period ended 30 June 2023								
At 1 April 2023	202,434	(2)	1,792	18,475	525,440	748,139	543	748,682
Profit for the period	-	-	-	-	15,981	15,981	36	16,017
Other comprehensive income for the period	-	-	-	9,515	-	9,515	54	9,569
Total comprehensive income for the period	-	-	-	9,515	15,981	25,496	90	25,586
Treasury shares aquired	-	(1,212)	-	-	-	(1,212)	-	(1,212)
Share options vested under ESOS	-	-	278	-	-	278	-	278
Transfer of share option reserve to retained earnings upon lapse of ESOS	-	-	(57)	-	57	-	-	-
Total transactions with owners	-	(1,212)	221	-	57	(934)	-	(934)
At 30 June 2023	202,434	(1,214)	2,013	27,990	541,478	772,701	633	773,334

The condensed financial statement should be read in conjunction with the audited financial statements for the financial year ended 31 March 2023.



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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THREE MONTHS PERIOD ENDED 30 JUNE 2023

	←——— Attributable to owners of the Company ———→					Total	Non-Controlling Interests	Total Equity
	Share Capital	Treasury Shares	Non-distributable Share option reserve	Translation Reserve	Retained Earnings			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Year ended 31 March 2023								
At 1 April 2022	202,331	(2)	-	16,603	497,660	716,592	468	717,060
Profit for the year	-	-	-	-	31,633	31,633	79	31,712
Other comprehensive income/(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
Dividends paid	-	-	-	-	(3,896)	(3,896)	-	(3,896)
Issuance of ordinary shares pursuant to ESOS	103	-	(20)	-	-	83	-	83
Share options vested under ESOS	-	-	1,855	-	-	1,855	-	1,855
Transfer of share option reserve to retained earnings upon lapse of ESOS	-	-	(43)	-	43	-	-	-
Total transactions with owners	103	-	1,792	-	(3,853)	(1,958)	-	(1,958)
At 31 March 2023	202,434	(2)	1,792	18,475	525,440	748,139	543	748,682

The condensed financial statement should be read in conjunction with the audited financial statements for the financial year ended 31 March 2023.



ASIA FILE CORPORATION BHD. (313192-P)
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THREE MONTHS PERIOD ENDED 30 JUNE 2023

	30.06.23	30.06.22
	RM'000	RM'000
Profit before tax	18,152	11,632
Adjustments for:		
Non-cash items	(2,841)	7,214
Non-operating items	(2,884)	(17)
Operating profit before changes in working capital	12,427	18,829
Changes in working capital		
Net change in current assets	9,489	(4,588)
Net change in current liabilities	(5,332)	(8,809)
	4,157	(13,397)
Net cash from operating activities	16,584	5,432
Investing activities		
Other investments	1,786	27,130
Net cash from investing activities	1,786	27,130
Financing activities		
Bank borrowings, net	-	3,009
Interest paid	-	(38)
Repurchase of treasury shares	(1,212)	-
Repayment of lease liabilities	(532)	(488)
Net cash (used in)/from financing activities	(1,744)	2,483
Net change in cash & cash equivalents	16,626	35,045
Cash & cash equivalents at beginning of period	248,062	133,582
Effects of exchange rates changes	12,894	(1,837)
Cash & cash equivalents at end of period	277,582	166,790

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:

	30.06.23	30.06.22
	RM'000	RM'000
Cash and bank balances	277,582	166,790

The condensed financial statement should be read in conjunction with the audited financial statements for the financial year ended 31 March 2023.



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NOTES TO THE INTERIM FINANCIAL REPORT FOR THREE MONTHS PERIOD ENDED 30 JUNE 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 2023 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 2023, 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
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</i> , <i>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
Amendments to MFRS 112, <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 Jan 2023

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 16 <i>Lease Liability in a Sale and Leaseback</i>	1 Jan 2024
Amendments to MFRS 101, <i>Presentation of Financial Statements: Classification of Liabilities as Current or Non-current</i>	1 Jan 2024
Amendments to MFRS 101, <i>Presentation of Financial Statements: Non-current Liabilities with Covenants</i>	1 Jan 2024
Amendments to MFRS 107 and MFRS 7: <i>Supplier Finance Arrangements</i>	1 Jan 2024
Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred



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A3 Audit Report

There was no qualification on the audited financial statements of the Group for the financial year ended 31 March 2023.

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

No ordinary shares were issued pursuant to the Employees' Share Option Scheme ("ESOS") during the financial year to date.

707,000 ordinary shares of Asia File Corporation Bhd was purchased and retained as treasury shares pursuant to the Shares Buy Back Scheme during the financial quarter. Accordingly, a total of 707,500 shares was retained as treasury shares as at 30 June 2023.

There was no shares purchased and retained as treasury shares subsequent to the financial quarter ended 30 June 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)

3 months ended 30.06.2023

	Filing Products RM'000	Consumer & Food Ware Products RM'000	Others RM'000	Total RM'000
Revenue from external customers	65,473	10,170	6	75,649
Operating profit	16,218	1,472	365	18,055

Reconciliation of reportable segment profit:

Operating profit for reportable segments	17,690
Operating profit for non-reportable segment	365
Finance cost	(30)
Investing results	2,901
Share of profit of an associate	(2,774)
Consolidated profit before taxation	18,152

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	13,642
Operating profit for non-reportable segment	(172)
Finance cost	(80)
Investing results	27
Share of profit of an associate	(1,785)
Consolidated profit before taxation	11,632

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.



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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.

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 RM154.32mil (31 March 2023: RM150.54mil) of which RM0.34mil (31 March 2023: RM0.11mil) were utilised at the end of the quarter.

(ii) The Company has also given corporate guarantee of RM11.80mil (31 March 2023: RM10.92mil) to a supplier of its subsidiary, Higher Kings Mill Limited of which RM1.70mil (31 March 2023: RM0.88mil) was utilised at the end of the quarter.

A14 Capital Commitments

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

	30.06.23
	RM'000
Approved and contracted for:	
Machinery and Equipment	1,267

A15 Intangible Assets

	30.06.23	31.03.23
	RM'000	RM'000
Goodwill	30,234	30,234

A16 Net Assets per Share (sen)

	30.06.23	31.03.23
Shareholders' Fund (RM '000)	772,701	748,139
Share Capital (Unit '000)	194,813	194,813
Net Assets per Share (sen)	396.64	384.03

B ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1 Review of Performance

Current Quarter

For the quarter ended 30 June 2023, the Group recorded a total revenue of RM75.6 million, which represents a drop of 13.8% from RM87.7 million achieved one year ago. Amidst the challenging market condition which resulted in softer demand for consumer products, sales from filing division dropped by 10.7% while consumer and food ware division was taking a hit by a 29.7% decline in sales during the quarter when compared with the corresponding period last year.



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B1 Review of Performance (continued)

Current Quarter (continued)

Despite the drop in revenue, operating profit expanded from RM13.5 million to RM18.1 million during the quarter as a result of favorable exchange rates as both Sterling Pound and Euro strengthened against local currencies and also improved cost management especially the delivery cost. During the quarter, a total foreign exchange gain of RM9.3 million was recorded as compared to foreign exchange loss of RM1.9 million incurred last year.

After taking into consideration the investing income of RM2.9 million and also share of loss from associate of RM2.8 million, the Group delivered a profit before tax for the quarter of RM18.2 million which represented an improvement of 56.9% when compared to RM11.6 million recorded last year .

B2 Comparison with Preceding Quarter

	30.06.23	31.03.23
	RM'000	RM'000
Revenue	75,649	78,257
Operating Profit	18,055	14,992
Profit Before Tax	18,152	13,277

Profit before tax improved to RM18.2 million from RM13.3 million achieved in the preceding quarter as a result of higher foreign exchange gain of RM9.3 million as compared to a much lower foreign exchange gain of RM2.9 million registered in the March quarter.

B3 Current Year Prospects

As global demand will be inevitably impacted as a result of a slowing pace of business activities, the Group expects a challenging path ahead for the remaining quarters. Despite the drop in sales in its consumer and food ware, the Group is optimistic that growth prospects from this division will remain strong as new products which have been launched recently have received positive reviews and encouraging responses. The Group has also started to make some inroad into overseas markets for its new product range and this will provide an additional avenue for the Group to grow its sales going forward. A substantial amount of effort and time has been invested in research & development work before any new product is launched in order to ensure the success of each new launching. The Group will continue to intensify the adoption of digital platforms to sell its products in both local and overseas markets. While the traditional filling business will remain our core business for the time being, we will step up our effort in increasing our sales penetration for consumer and food ware by adding new product range as well as market expansion .

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	
	30.06.23	30.06.22
	RM'000	RM'000
Current Tax Expense		
- Current Year	2,898	3,674
Deferred Tax Expense		
- Current Year	(763)	(184)
	<u>2,135</u>	<u>3,490</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

As at 23 August 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 Other Investments

	30.06.23	31.03.23
	RM'000	RM'000
Non-Current Assets		
Fair Value through Profit or Loss:		
Investment in bond fund	<u>25,136</u>	<u>25,048</u>
Current Assets		
Fair Value through Profit or Loss:		
Short-term funds	<u>4</u>	<u>1,013</u>

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	
	30.06.23	30.06.22
Basic earnings per share		
Profit Attributable to Equity Holders of the Company (RM'000)	15,981	8,108
Weighted Average Number of Ordinary Shares (Unit '000)	194,634	194,759
Earnings per Share (sen)	<u>8.21</u>	<u>4.16</u>
	3 months ended	
	30.06.23	30.06.22
Diluted earnings per share		
Profit Attributable to Equity Holders of the Company (RM'000)	15,981	8,108
Weighted Average Number of Ordinary Shares (Unit '000)	194,634	194,759
Adjustment for share options (Unit'000)	<u>1,199</u>	<u>-</u>
Weighted Average Number of Ordinary Shares for Diluted Earnings Per Share (Unit '000)	<u>195,833</u>	<u>194,759</u>
Earnings per Share (sen)	<u>8.16</u>	<u>4.16</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)



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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 RM'000	Level 2 RM'000	Level 3 RM'000	
As at 30 June 2023				
<u>Financial Assets</u>				
Financial Assets at Fair Value				
Through Profit or Loss	4	25,136	-	25,140
As at 31 March 2023				
<u>Financial Assets</u>				
Financial Assets at Fair Value				
Through Profit or Loss	1,013	25,048	-	26,061

B13 Profit Before Tax

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

	3 months ended	
	30.06.23 RM'000	30.06.22 RM'000
Distribution income	1	211
Interest income	2,807	483
Other income/(expenses) including investment income	308	(447)
Interest expense	(30)	(80)
Depreciation and amortisation	(2,895)	(2,906)
Reversal for doubtful debts	15	14
Gain on disposal of property, plant and equipment	14	69
Foreign exchange gain/(loss)	9,327	(1,901)
Share option expenses	(278)	-

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