



ASIA FILE CORPORATION BHD.



2023

ANNUAL REPORT



Table of Content

Contents	Page
Corporate Information	2
Management Discussion and Analysis	3-8
Corporate Structure	9
Profile of Directors	10-12
Profile of Key Senior Management	13-14
Group Financial Highlights	15
Corporate Governance Overview Statement	16-22
Audit Committee Report	23-25
Statement on Risk Management and Internal Control	26-28
Sustainability Statement	29-37
Additional Compliance Information	38-39
Directors' Report	40-47
Statement by Directors	48
Statutory Declaration	48
Independent Auditors' Report to the Members	49-52
Financial Statements	53-114
List of Properties	115-116
Shareholdings Statistics	117-119
Analysis of Shareholdings	120
Notice of Annual General Meeting	121-125
Form of Proxy	



Corporate Information

Board Of Directors

Dato' Lim Soon Huat

(Executive Chairman)

Lam Voon Kean

(Independent Non-Executive Director)

Chua Hooi Luan (appointed on 30 June 2022)

(Independent Non-Executive Director)

Ng Chin Nam (retired on 30 June 2023)

(Independent Non-Executive Director)

Lee Thean Yew (appointed on 30 June 2023)

(Independent Non-Executive Director)

Nurjannah Binti Ali (retired on 30 June 2022)

(Independent Non-Executive Director)

Company Secretaries

Tai Yit Chan

(MAICSA 7009143) (SSM PC No. 202008001023)

Ong Tze-En

(MAICSA 7026537) (SSM PC No. 202008003397)

Principal Place of Business

Plot 16, Kawasan Perindustrian Bayan Lepas,
Phase IV, Mukim 12,

11900 Bayan Lepas, Penang.

Tel : 04-642 6601 Fax : 04-642 6602

Registered Office

170-09-01, Livingston Tower, Jalan Argyll,
10500 George Town, Pulau Pinang.

Tel : 04-229 4390 Fax : 04-226 5860

Email: boardroom-kl@boardroomlimited.com

Stock Exchange Listing

Main Market of Bursa Malaysia Securities Berhad

Registrar

Securities Services (Holdings) Sdn Bhd (Penang)
199701005827 (36869-T)

Suite 18.05, MWE Plaza,

No. 8 Lebuhr Farquhar,

10200 George Town, Penang.

Tel : 04-263 1966 Fax : 04-262 8544

Email: info@sshsb.com.my

Auditors

BDO PLT

201906000013 (LLP0018825-LCA) & AF 0206



Management Discussion and Analysis

Introduction

Asia File Corporation Bhd. (“AFC”) was listed on the Bursa Malaysia in 1996. AFC and its subsidiaries (“the Group”) are well known for its products with excellent quality and durability. The Group’s reputable brand “ABBA” is a popular brand name among the consumers for their filing needs over the past decades.

Headquartered in Penang, Malaysia, the Group’s operation facilities consist of:-

- Seven (7) production and warehousing sites in Malaysia;
- Two (2) manufacturing plants and one paper mill in the United Kingdom; and
- Two (2) manufacturing facilities in Germany.

The core product category offered by the Group covers a wide range of filing products and filing accessories made from quality paperboard, plastics and metals. Over the years, the Group has successfully established itself as one of the leading global players in the industry with dominant standing in the United Kingdom and part of Europe. Its filing products have also been exported across the various continents including to United States, United Kingdom, Australia, New Zealand, the various countries in Europe, Middle East, Africa and Asia Pacific.

The paper mill situated in United Kingdom produces coloured paper and board for internal use but also caters to external customers in filing industry, educational and other specialty markets.

As part of the Group’s diversification plan initiated five (5) years ago, it has ventured into recyclable food wares and consumer wares to expand its product portfolio beyond filing products.





Management Discussion and Analysis (continued)



Marketed under its flagship brand “ABBAWARE”, the Group has achieved major success in penetrating the market as the brand remains as one of the preferred consumer choices due to its premium quality and competitive pricing. We were greatly encouraged by the success of our launching of new products as we seek to expand our product category in this new business segment. The leading positions we have managed to secure across the various categories in which we have presence on the online platforms have further re-affirmed our ability to compete effectively against other more established players in the industry.

Revenue contribution from this division for the current financial year stood at 15.6% out of the total Group’s revenue. With the addition of new products and market expansion, we expect the percentage of contribution would increase over time.



Management Discussion and Analysis (continued)

Financial Overview

	FY 2023 RM'000	FY 2022 RM'000
Revenue	317,565	323,018
Results from operations	48,030	35,906
Operating margin (%)	15.12%	11.12%
Share of (loss) / profit of an associate, net of tax	(8,665)	12,966
Finance cost	(224)	(366)
Interest & distribution income	4,679	2,987
Profit before tax ("PBT")	43,820	51,493
PBT %	13.80%	15.94%
Taxation	(12,108)	(8,121)
Profit after tax ("PAT")	31,712	43,372
PAT %	9.99%	13.43%
Shareholders' fund	748,139	716,591
Short-term funds, cash & cash equivalents	249,075	214,292
Net asset per share (sen)	384.03	367.94

For the financial year under review ("FY"), the Group delivered a total revenue of RM317.6 million which represented a slight drop of 1.7% over the last year's figure amidst a challenging market with inflationary pressure and cautious consumer spending. The filing division experienced a decline of 2.3% in turnover as total revenue dipped to RM267.9 million from RM274.2 million recorded a year ago. Usage and consumption of files has been impacted by digital transformation which make E-filing an alternative to traditional physical filing of documents. However, E-filing would not completely replace physical filing and hence the existing players in the industry would be well buffered from any potential new competitors in view of the nature of the industry.

Revenue contribution from recyclable consumer and food ware inched higher to RM49.6 million as compared to RM48.7 million achieved in the last financial year. The division registered encouraging sales at the beginning of the financial year but showed signs of softening demand subsequently as consumers adjusted their spending habits due to erosion in purchasing powers impacted by rising prices. Despite the above, the Group is optimistic of the potential opportunities from this division as more products would be launched to widen our product range and increase market share. Detailed market research has been carried out to study the consumers' trend in order to identify range of products to add into the existing portfolio. The Group will continue to stay focus in not only expanding its revenue base but also enhancing its margin. To this effect, the Group has spent considerable time and effort in evaluating its operation process from procurement to production in order to optimize the resultant margin from any new products to be launched.



Management Discussion and Analysis (continued)

Operating Profits

The Group delivered a healthy operating margin of 15.1% which represented an improvement of 36.0% when compared to 11.1% achieved in the previous financial year. The operating result for the first half of the financial year was impacted by the unfavorable movement in exchange rates when both Sterling Pound ("GBP") and Euro Dollar ("EURO") weaken against US Dollar ("USD") by more than 15% by the end of second quarter of the financial year when in comparison with the corresponding period last year. The adverse trend has subsequently reversed in the second half of the financial year which resulted in net foreign exchange gain of RM1.0 million for the financial year.

The easing out of COVID-19 pandemic has helped to restore consumers' confidence and thus offers pricing stability in the market. The majority of operation costs have returned to normalcy except for energy cost in the United Kingdom and Europe which remain high. It was a relief to the Group as it could do away with cost absorption for its customers when the operating costs last year were at exceptionally high level in particular the freight charges. The Group has continued to strive for operation excellence by improving production efficiency, reducing wastage and also sharpened our focus in procurement by keeping abreast with the ever changing market condition which will impact the supply chain equilibrium. The Group continues to adopt a prudent approach in managing its cost and taking proactive measures to enhance its efficiency in every facet of its operation in order to stay competitive in the market.

Profit Before Tax

Despite the higher operating profits of RM48.0 million achieved during the financial year as compared to RM35.9 million recorded last financial year, profit before tax was reduced to RM43.8 million (FY 2022: RM51.5 million) as a result of share of loss of an associate, net of tax of RM8.7 million as opposed to share of profit of RM13.0 million a year ago.

Capital Expenditure, Liquidity and Capital Structure

During the year, a total capital expenditure of RM5.9 million was incurred, out of which a total of RM4.0 million was spent on purchases of various plants and machineries. The above capital expenditure was funded using internally generated fund.

The Group's operation continues to generate healthy cash flow as it ended the financial year 2023 with cash and cash equivalents (included short-term funds) amounted to RM249.1 million, an increase of 16.2% from RM214.3 million recorded on its balance sheet last year. Net cash generated from operating activities during the financial year was RM61.6 million as compared to RM14.1 million in the previous financial year. In view of the rising interest cost, the Group has made full repayment of bank borrowings used to finance its import bills during the financial year.

When compared with the last financial year, the Group's total assets increased from RM777.9 million to RM801.7 million while total equity rose from RM717.1 million to RM748.7 million respectively.

The robust balance sheet position demonstrates the effective management of the Group's resources. It does not only provide flexibility for the Group to seize opportunities for future growth but also create a safety net for it to navigate through the current rising interest rate environment.



Management Discussion and Analysis (continued)

Dividend

With the strengthened position of its cash and cash equivalents, the Board has raised the dividend payout rate to 3.5 sen, the payment of which will be subject to shareholders' approval.

Anticipated Risks

Advancement of Digitalisation

The advent of digital technologies and increased reliance on electronic documentation has transformed the way information is stored and accessed. The wide availability of electronic file storage, cloud based solutions and document management system will reduce the reliance on physical files. As more businesses and individuals adopt digital storage and E-filing, the demand for traditional physical files may decline over time.

In recognizing the above risk, the Group has taken proactive action to diversify and expand its operation into other business segments namely on recyclable consumer and food ware. Over the years, it has gained significant foothold in this new business segment and has proven itself to be a formidable player in the industry. As the Group embarks on its various product expansion plans as well as broadening its geographical outreach for this new product category, it will enable the Group to deliver long term sustainable growth.

Supply Chain Disruption

In the process of manufacturing our products, we will rely on our supply chain to source our materials which include paper, plastic and metal. Disruptions in the supply chain such as raw material shortages, transportation challenges or geopolitical tensions may affect production which will ultimately lead to delay in delivery or incurrence of higher costs.

To address the above issue, the Group has implemented robust supply chain management and contingency planning in order to mitigate the resultant impact that may occur from the abovementioned disruptions.

Foreign Exchange Risk

As majority of the Group's revenue and material sourcing are derived outside Malaysia, foreign exchange volatilities associated with the translation of GBP, EURO and USD against Ringgit Malaysia would impact the consolidated earnings of the Group.

The Group will continue to monitor closely the movement of the exchange rates and adopt hedging strategies where appropriate to address the risk of major fluctuation in exchange rates.



Management Discussion and Analysis (continued)

Risk Associated with New Ventures

To ensure a sustainable growth, the Group will be on continuous look out for new ventures whether within or outside its core business. This will no doubt create uncertainties as new areas are being explored and tested.

New investments will pose both challenges and opportunities to the Group. To minimize any potential losses from such new ventures, the Group will carry out proper due diligence process and in depth evaluation prior to making any new investment decision.

Credit Risks of Customers

As the Group extends credit terms to most of its customers, any default of payment by its customers or failure to pay on time will affect the financial position of the Group.

To mitigate the risk, the Group has put in place stringent credit control procedures to evaluate, review and monitor all new debts or current debts owed by its customers. The Group's policy of only delivering to credit worthy customers after detailed evaluation of customers' financial position helps to minimize occurrence of bad debts.

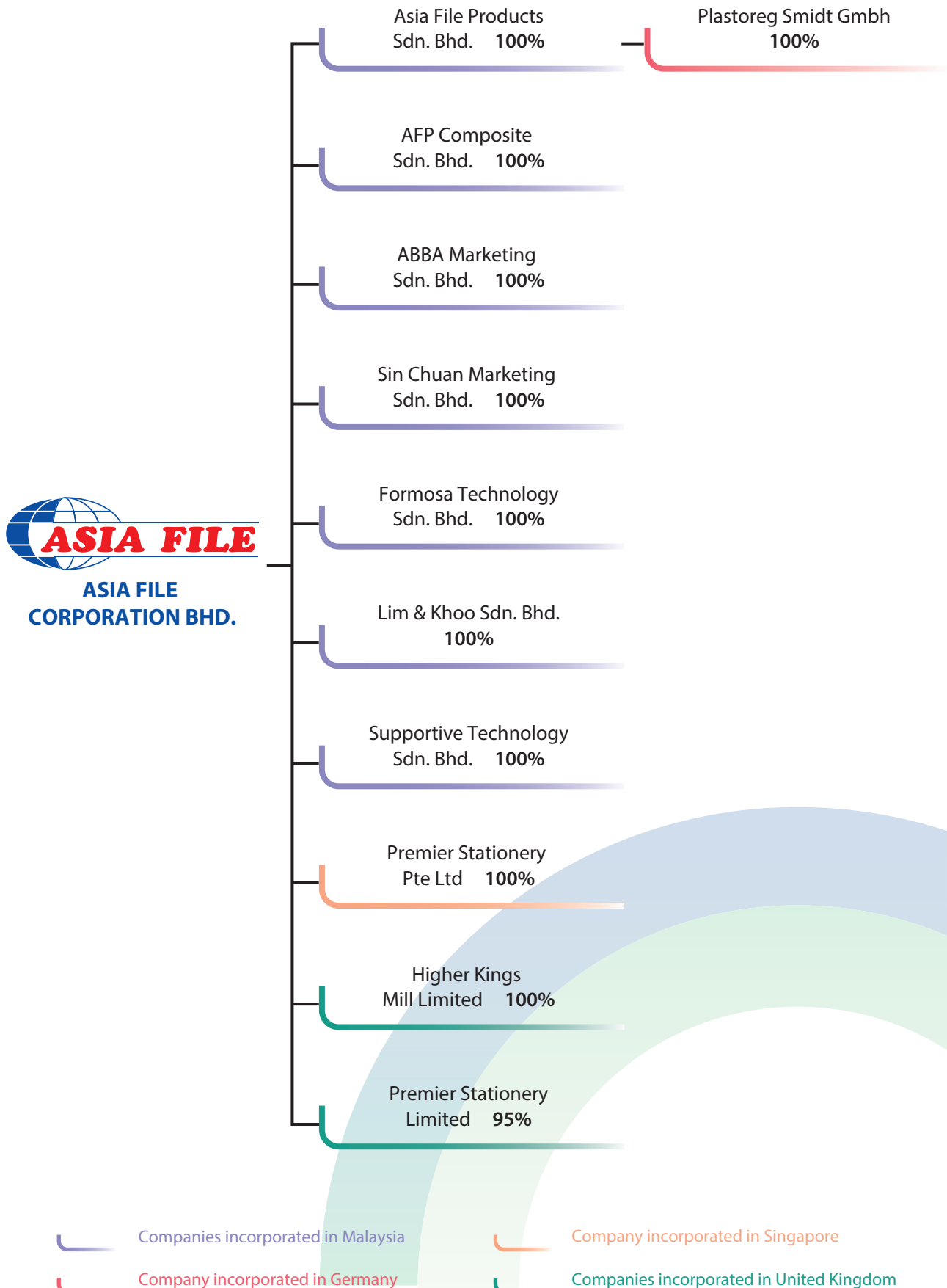
Business Outlook and Prospects

Despite delivering a consistent set of result in FY2023, it has not been an easy year as the Group has to face various headwinds along the journey. As filing being our core business, we will continue to defend our position as one of the strongest contenders in the industry. We anticipate some competition as existing players are vying for a smaller pie. We are, however, confident of putting up a good fight as we have demonstrated our agility in adapting to ever changing market conditions as well as our resilience in the face of adversity. Coupled with our strong execution capabilities and swift reaction in addressing any rising issues, we are confident of yielding positive results from the filing division.

While filing will remain as our core business, we intend to grow our recyclable consumer and food ware and aim to generate an increasing proportion of revenue from this division. To ensure prudent usage of our resources, considerable time and effort have been spent by our team to make the necessary evaluations on market trend, consumers' preference, product specification and resources utilization before any new product is launched into the market. We will scale up the reach of our products through effective marketing strategy and synergistic pricing formulation. We believe that innovation to meet the ever evolving consumers' needs will be pivotal for us to survive well in the consumer market. As more innovative products are to be rolled out, we believe we will continue to made progress in getting a bigger market share.



Corporate Structure





Profile of Directors

Dato' Lim Soon Huat,
aged 66, Malaysian
Non-Independent Executive Chairman



Dato' Lim Soon Huat was appointed to the Board on 3 January 1996 and was subsequently appointed as Chairman of the Board on 16 July 2001.

He graduated from University of Melbourne with a Master Degree in Engineering. He has vast working experiences of more than 40 years in both public and private sectors. Prior to his involvement in business, he was involved in civil engineering projects undertaken by the Drainage and Irrigation Department. In 1986, he joined the filing and stationery industry and since then he has been playing a prominent role in all facets of the company management. He also holds directorship in various subsidiaries of Asia File Corporation Bhd.

As at 30 June 2023, he is the registered holder of 5,795,455 shares in Asia File Corporation Bhd and is deemed interested over 83,738,951 shares in Asia File Corporation Bhd registered under Prestige Elegance (M) Sdn Bhd. He also holds 50.01% of the total shareholding in Prestige Elegance (M) Sdn Bhd.

During the financial year ended 31 March 2023, he attended four (4) Board of Directors' meetings.

Lam Voon Kean was appointed to the Board on 11 June 2012 as a Non-Independent Non-Executive Director. Thereafter, she was re-designated as Independent Non-Executive Director on 29 May 2014. She was appointed as the chairwoman of the Audit Committee and Nomination & Remuneration Committee on 30 June 2023.

Madam Lam has over 35 years of experience in the fields of accounting, auditing, corporate secretarial and advisory. She began her career with KPMG in 1974 and subsequently promoted as senior audit manager. She left KPMG in 1994 to join M & C Services Sdn Bhd [now known as Boardroom Corporate Services (Penang) Sdn Bhd after restructuring] as the senior manager and was promoted to managing director until her retirement in 2011. Madam Lam presently sits on the Board of RGB International Bhd, Alcom Group Berhad and Tambun Indah Land Berhad.

During the financial year ended 31 March 2023, she attended four (4) Board of Directors' meetings.

Lam Voon Kean,
aged 71, Malaysian
Independent Non-Executive Director





Profile of Directors (continued)

Chua Hooi Luan was appointed to the Board on 30 June 2022 as an Independent Non-Executive Director. She is a member of the Audit Committee and Nomination & Remuneration Committee.

Ms. Chua graduated with a Bachelor of Accounting (Honours) degree from University of Malaya in 1988. She is a member of the Malaysian Institute of Certified Public Accountants (MICPA) and has more than 30 years of experience in the fields of corporate finance, international project financing and cross border merger & acquisition transactions. She started her career in 1988 in an international audit firm. She left the audit firm as an audit senior in 1992 to pursue her career in the field of corporate finance where she joined an investment bank. She later moved on to join a formerly listed company as its General Manager, Corporate Finance in 1997 and presently assumed her role as its Deputy Group Chief Financial Officer.

During the financial year ended 31 March 2023, she attended three (3) Board of Directors' meetings.

Chua Hooi Luan,
aged 59, Malaysian
Independent Non-Executive Director



Ng Chin Nam,
aged 53, Malaysian
Independent Non-Executive Director



Ng Chin Nam was appointed to the Board on 11 June 2012 as an Independent Non-Executive Director and subsequently retired from the Board on 30 June 2023. He was the Chairman of the Audit Committee and Nomination & Remuneration Committee until his retirement.

Mr. Ng is a member of the Chartered Institute of Management Accountants (CIMA). He has more than 25 years of experience in the fields of accounting, auditing, taxation and corporate finance. He started his career in 1992 in manufacturing environment. He joined an international audit firm as an audit senior in 1997 after obtaining his professional qualification from CIMA. He left the audit firm as assistant manager in 2000 to join a listed company as finance manager. In 2007, he left the listed company to assume the role as Head of Management Information System (MIS), Human Resource and Finance in another listed company. Mr. Ng presently sits on the Board of Heng Huat Resources Group Berhad.

During the financial year ended 31 March 2023, he attended four (4) Board of Directors' meetings.



Profile of Directors (continued)

Lee Thean Yew,
aged 59, Malaysian
Independent Non-Executive Director



Lee Thean Yew was appointed to the Board on 30 June 2023 as an Independent Non-Executive Director. He was appointed as a member of the Audit Committee and Nomination & Remuneration Committee on the same date.

Mr. Lee graduated from University of Malaya with a Bachelor Degree of Accounting (with Honours) in 1988. He is a member of Malaysian Institute of Accountants (MIA).

He has more than 30 years of working knowledge in the various accounting disciplines such as financial accounting, compliance reporting, budgeting, taxation and systems development. Mr Lee is currently the Chief Financial Officer of ACME Holdings Berhad. He presently sits on the Board of ACME Holdings Berhad and several other private limited companies.

Notes:

- i) The late Datin Khoo Saw Sim, a substantial shareholder, is the mother of director, Dato' Lim Soon Huat. Other than as disclosed in the Profile of Directors, none of the directors has any family relationship with any other directors/major shareholders of the Company.
- ii) Other than as disclosed in the Directors' Report and Notes to the Financial Statements, there is no other conflict of interest that the directors have with the Company.
- iii) Except for Lam Voon Kean, Ng Chin Nam and Lee Thean Yew which were disclosed in the Profile of Directors, none of the other directors hold any directorship in any other public listed companies.
- iv) In the past five (5) years, none of the directors was convicted of any offence other than traffic offences.



Profile of Key Senior Management

Mr. Hubertus Rohe, aged 66, Male, a German

» *Managing Director of Plastoreg Smidt GmbH*

Mr. Hubertus Rohe studied Marketing and Languages at European Business School.

He joined Plastoreg Smidt GmbH in November 1990 as Sales Director and was appointed as Managing Director in January 2003. In 2011, Mr. Hubertus Rohe was appointed as Director of Higher Kings Mill Limited.

Prior to joining the Company, Mr. Hubertus Rohe assumed the role as Export Country Manager at Gloria Werke and was the Export Director at Brause GmbH in 1988.

Mr. Hubertus Rohe does not have any family relationship with any director and/or major shareholder. He has no conflict of interest in any business arrangement involving the company.

Ms. Goh Phaik Ngoh, aged 55, Female, a Malaysian

» *Chief Financial Officer*

Ms. Goh Phaik Ngoh graduated with a Bachelor of Commerce Degree from University of Otago, New Zealand in 1991 and passed the Final Qualifying Examination organised by The New Zealand Society of Accountants in 1992.

Prior to joining Asia File group of companies in 1994, she was attached to the international accountancy firms of Messrs Arthur Andersen & Co and Coopers & Lybrand (Singapore).

She currently holds directorship in various subsidiaries of Asia File group of companies.

Ms. Goh Phaik Ngoh does not have any family relationship with any director and/or major shareholder. She has no conflict of interest in any business arrangement involving the Company.

Ms. Lim Chin Chin, aged 42, Female, a Malaysian

» *Business Operation Manager*

Ms. Lim Chin Chin graduated with a Bachelor of Mechanical and Manufacturing Engineering Degree from The University of Melbourne, Australia.

She joined the Group in 2005 and is actively involved in the operation of consumer and food ware and also the various new projects undertaken by the group of Companies.

She currently holds directorship in various subsidiaries of Asia File group of companies.

Ms. Lim Chin Chin is the daughter of Dato' Lim Soon Huat, the granddaughter of the late Datin Khoo Saw Sim and the sister of Ms. Lim Mei Chin. She has no conflict of interest in any business arrangement involving the Company except as disclosed in the Notes to the Financial Statements.



Profile of Key Senior Management (continued)

Ms. Lim Mei Chin, aged 38, Female, a Malaysian

» *Business Development Manager*

Ms. Lim Mei Chin graduated with a Bachelor of Mechanical Engineering Degree from The University of Melbourne, Australia.

She joined the Group in 2008 and is in charge of Soft Plastic Division, Paper Mill Division and is also actively involved in the various new projects undertaken by the Group of Companies.

She currently holds directorship in various subsidiaries of Asia File group of companies.

Ms. Lim Mei Chin is the daughter of Dato' Lim Soon Huat, the granddaughter of the late Datin Khoo Saw Sim and the sister of Ms. Lim Chin Chin. She has no conflict of interest in any business arrangement involving the Company.

Mr. Chiang Kok Nearn, aged 48, Male, a Malaysian

» *Plant Manager at Permatang Tinggi, Penang*

Mr. Chiang Kok Nearn graduated with a Master Degree of Business Administration from University of South Australia.

He started his career as Production Manager in a manufacturing company before joining the Group as Plant Manager in July 2011. He is involved in overseeing the manufacturing operation in the plant located in Permatang Tinggi, Penang.

Mr. Chiang Kok Nearn does not have any family relationship with any director and/or major shareholder. He has no conflict of interest in any business arrangement involving the Company.

Additional information:

None of the Key Senior Management has:

- (i) been convicted of any offence (other than traffic offences) within the past five (5) years; and
- (ii) been imposed with any public sanction or penalty by the relevant bodies during the financial year ended 31 March 2023.



Group Financial Highlights

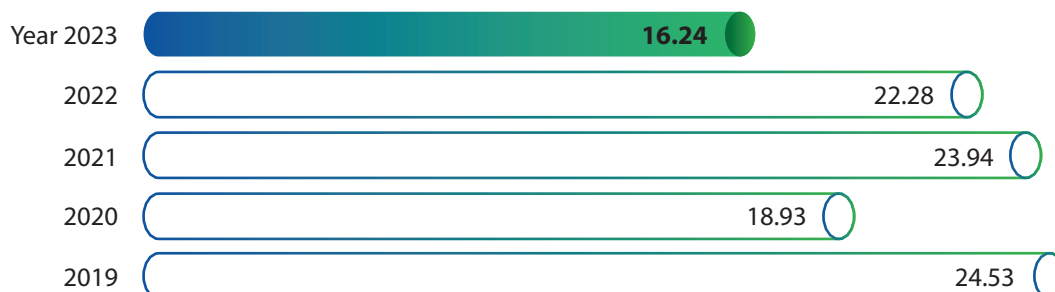
Turnover (RM)



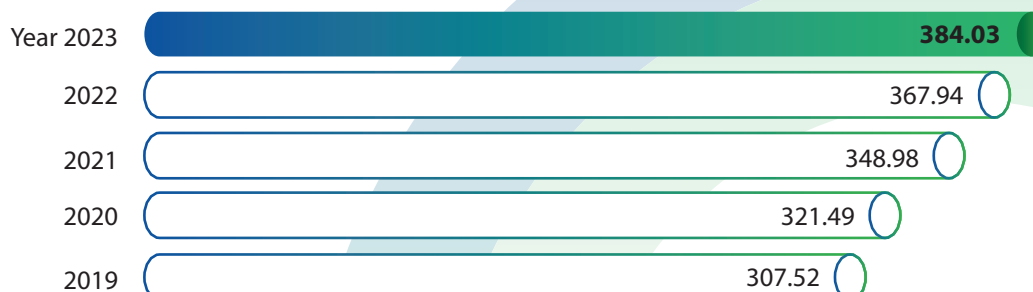
Profit Before Taxation (RM)



Basic Earnings Per Share (Sen)



Net Assets Per Share (Sen)





Corporate Governance Overview Statement

INTRODUCTION

The Board of Directors of Asia File Corporation Bhd (“the Board”) is committed to achieving and maintaining a high standard of corporate governance within the Group in complying with the Malaysian Code on Corporate Governance (“MCCG”) 2021 which forms part of the continuing obligations of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The Group firmly believes that a sound corporate governance structure cultivates a conducive and ethical environment that is vital to the sustainability and progressive business growth of the Group.

Pursuant to the MMLR, the Group has completed the prescribed Corporate Governance Report (“CG Report”) for the financial year 2023 which is available on the Company’s website at www.asia-file.com as well as on Bursa Securities’ website www.bursamalaysia.com.

This Statement gives the shareholders an overview of the application of Corporate Governance (“CG”) practices of the Group.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Board Responsibilities

The Board is responsible towards the strategic planning, overseeing the resources, and together with the management monitoring the overall operation of the Group. The roles and responsibilities of the Board in pursuit of its corporate objectives are set in the Board Charter.

To ensure the effective discharge of its fiduciary duties and to enhance business and operational efficiency, the Board delegates specific responsibilities to the Board Committees namely Audit Committee (“AC”) and Nomination & Remuneration Committee (“NRC”). All the Board Committees consist exclusively of Independent Non-Executive Directors.

The Board is also overseeing the integration of sustainability considerations in corporate strategy, governance and decision-making. The Board Charter and the Terms of Reference of the Board Committees are available online at the Company’s website www.asia-file.com and they will be reviewed periodically and updated in accordance with the needs of the Company to ensure its effectiveness.

In addition, the Board is also supported by suitably qualified company secretaries who are members of The Malaysian Institute of Chartered Secretaries and Administrators (“MAICSA”) in ensuring that all Board meetings are properly convened.

The details of Directors’ attendances at meetings during the financial year and calendar of meetings are set out below:-

Name of Directors	Position	Board	AC	NRC
Dato’ Lim Soon Huat	Non-Independent Executive Chairman	4/4	-	-
Mr. Ng Chin Nam	Independent Non-Executive Director	4/4	4/4	1/1
Mdm. Lam Voon Kean	Independent Non-Executive Director	4/4	4/4	1/1
Pn. Nurjannah Binti Ali (Retired on 30 June 2022)	Independent Non-Executive Director	1/1	1/1	1/1
Ms. Chua Hooi Luan (Appointed on 30 June 2022)	Independent Non-Executive Director	3/3	3/3	-

Types of Meeting	30 May 2022	29 Aug 2022	30 Nov 2022	27 Feb 2023
Board	✓	✓	✓	✓
AC	✓	✓	✓	✓
NRC	✓	-	-	-



Corporate Governance Overview Statement (continued)

In order to ensure that its business and operations are conducted in an ethical, moral and legal manner, the Group has established a set of Code of Ethics and Conduct which governs the standard of ethics and conducts expected from the Directors and employees of the Group. In addition, the Group's employee handbook also outlines the moral responsibilities of the employees in discharging their duties in an ethical manner.

The Group recognises that any genuine commitment to detecting and preventing actual or suspected unethical, unlawful, illegal, wrongful or other improper conduct must include a mechanism whereby employees and stakeholders of the Group can report their concerns freely without fear of reprisal or intimidation. Hence, the Group has put in place a Whistleblowing Policy which sets out the internal channel and reporting procedures for all employees and stakeholders of the Group to disclose any irregularities and the protection accorded to whistle blowers who disclose such allegations in good faith.

Section 17A of the Malaysian Anti-Corruption Commission Act 2009 ("MACC Act") which came into effect on 1 June 2020, introduces corporate liability provision for bribery and corruption. The Group has adopted Anti-Bribery and Anti-Corruption Policy which must be observed by all of the Directors and employees at all time. The Group takes a serious view of corrupt practices within the organization and is committed to acting professionally, fairly and with integrity in all its business dealings and relationship.

During the year, the Group conducted a refresher course on Code of Ethics and Conduct, Anti-Bribery and Anti-Corruption, and Whistleblowing policies to the employees whom are engaging regularly with external parties to ensure the employees are in compliance with the Group's standard of integrity in conducting its business dealings. All new employees who joined during the financial year 2023 have also attended the training on Code of Ethics and Conduct, Anti-Bribery and Anti-Corruption, and Whistleblowing policies as part of their induction programme.

To further enforce the Group's Anti-Bribery and Anti-Corruption Policy, the Group also requires its business partners to comply the business dealings fairly and honestly by requiring them to carry out their business in the manner set out in the policy.

Board members have direct access to the senior management and are also given unrestricted access to the advices and services of other professional advisors in discharging their duties and responsibilities at the expense of the Group.

All proceedings of board meetings are properly minuted and board meeting papers will be circulated to the Board members ahead of the next Board meeting. All corporate announcements including quarterly financial results will be reviewed and approved by the Board prior to any announcement being made to the Bursa Securities.

Chairman of the Board

The Chairman is responsible to lead the Board and ensure its effectiveness. The Executive Chairman Dato' Lim Soon Huat assumed the role of Chairman since 2001. The Board is mindful of the dual role of Chairman and Chief Executive held by Dato' Lim Soon Huat but is of the view that the present composition of the Board and its decision making process will provide sufficient check and balance.

75% of the current Board composition consists of Independent Directors with distinguished credentials and majority of them have also acted as Directors in other public listed companies. The Board could rely on their extensive experience and knowledge to ensure that there is independence of judgement.

At the meeting, proposals are being thoroughly deliberated and considered and is a collective decision making of the majority view of the Board whereby no single Board member can dominate the decision making process. In view of the extensive experience of Dato' Lim Soon Huat in managing the Group's business, the Board is of the view that it could benefit from a knowledgeable Chairman in providing timely updates and guidance when deliberating on key issues or during discussions on latest developments.



Corporate Governance Overview Statement (continued)

Board Composition

The Board currently comprises one (1) Executive Director and three (3) Independent Non-Executive Directors. The Executive Director has been actively involved in the industry for many years, bringing with him a wealth of valuable experiences in ensuring the success of the Group. The Non-Executive Directors, with their strong accounting backgrounds and diversified working experiences help to steer the Group in the right direction in fulfilling its role to the Group's stakeholders. A brief profile of each individual director is presented in the Profile of Directors section of this Annual Report.

The Board took note of the recommendation of the Code that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years and the Enhanced Director Amendment to the MMLR issued by Bursa Securities on 19 January 2022 ("the Enhanced Director Amendments") which imposes a mandatory twelve (12) years tenure limit for independent directors whereby an affected long serving independent director shall be re-designated as non-independent director or replaced by the Board.

On 30 June 2022 and 30 June 2023, both Pn. Nurjannah Binti Ali and Mr. Ng Chin Nam retired from the Board, as well as from the AC and NRC. In compliance with paragraph 15.02 of the MMLR, the Board appointed Ms. Chua Hooi Luan and Mr. Lee Thean Yew as new Independent Non-Executive Director on the same dates to fill the vacancies arising from the above retirements.

The NRC leverages on the Directors' and management's wide network of professional and business contacts to identify suitable qualified candidates for recommendation to the Board for approval. Shortlisted candidates would be assessed by NRC which includes assessment on skills, competency, time commitment, independence, professional knowledge, experience, character and other qualities in meeting the needs of the Group. During FY2023, Mr. Lee Thean Yew was proposed to the NRC as a potential candidate for directorship. The NRC met to deliberate on the new appointee and agreed to recommend to the Board the appointment of Mr. Lee Thean Yew based on his skills, competency, time commitment, professional knowledge, experience, and character. The Board believes that the participation of the newly appointed Director will provide different perspectives and insights for effective decision-making on the Board.

Upon the retirement of Mr. Ng Chin Nam, Madam Lam Voon Kean has been re-designated and appointed as the Chairman of AC and NRC on 30 June 2023.

The Board is of the view that while it is important to promote diversity, the normal selection criteria of a Director based on effective blend of competencies, skills, experience, and knowledge should remain a priority so as not to compromise on capabilities, experience and qualification.

Prior to the appointment, the Group performed the necessary assessment in accordance with its Directors' Fit & Proper Policy for the appointment of Board members.

The current Board composition reflects a balanced diversity with the fulfilment of 50% of woman participation at the Board level. A summary of the Board composition is set out below:-

Composition	
Non-Independent	25%
Independent	75%
Gender Diversity	
Male	50%
Female	50%
Age Group Diversity	
60 years and above	50%
50 – 60 years	50%
Length of Service	
Above 12 years	25%
6 – 12 years	50%
5 years and below	25%



Corporate Governance Overview Statement (continued)

Nomination & Remuneration Committee ("NRC")

The NRC comprises three (3) members, all of whom are Independent Non-Executive Directors. Mr. Ng Chin Nam is the Chairman of the Committee. The NRC is entrusted to review and assess the adequacy and appropriateness of the Board composition. Members of the NRC are well equipped with many years of corporate experiences and are knowledgeable in the field of executive compensation.

The Terms of Reference for NRC are available at the Company's website www.asia-file.com.

The NRC meets as and when required and at least once every financial year. During the financial year under review, the NRC met on 30 May 2022 and was attended by all members of the Board Committee.

The activities undertaken by the NRC for the financial year ended 31 March 2023 were as follows:-

1. Reviewed the overall structure, size and composition of the Board with an aim to achieve a balance of views from the Board;
2. Reviewed the required mix of skills and experiences and other qualities including core competencies and time commitment of the members of the Board;
3. Assessed and reviewed the independence of the directors in delivering their judgment and decisions;
4. Conducted annual performance evaluation and assessment on the effectiveness of the Board and each Board Committee in discharging its duties and responsibilities;
5. Reviewed and endorsed the Board's approval on the salary increment framework and annual bonus for the directors and senior management of the Group and ensured alignment of compensation to company performance and compensation offered is in line with market practice;
6. Made recommendation to the Board for the re-appointment, re-election and retention of Directors who are subject to retirement at the forthcoming Annual General Meeting ("AGM"); and
7. Assessed and made recommendation to the Board for the appointment of new Independent Non-Executive Director.

Board Assessment

Annual assessment has been conducted by the NRC towards the effectiveness and independence of the Board via questionnaires, led by the Chairman of the NRC with the support of the company secretary.

The Board Evaluation Form was conducted on the Board Committee and individual Director on a continuing basis as all the Directors are expected to conduct themselves with the highest integrity and professionalism as well as to comply with all relevant legal and regulatory obligations.

Directors' Fit & Proper Policy has been adopted on 27 June 2022 and published on Company's website at www.asia-file.com to guide the NRC for the assessment and evaluation of the potential Directors on their new appointments and those who are seeking for election or re-election.

All assessments and comments from the evaluation are documented and discussed during the NRC meeting which were then tabled at the Board Meeting held thereafter. The results of the assessments are part of the Company's internal documents and will not be disclosed or provided to any other party.



Corporate Governance Overview Statement (continued)

Directors' Training

Directors are encouraged to attend seminars, talks, trade fairs, workshops and conferences to enhance their skills and knowledge and to ensure that they are kept abreast with new developments in the business environment, corporate governance and enhance their skills and knowledge.

During the financial year under review, the Directors had participated in various programmes and seminars as set out below:-

Directors	Details	Date
Dato' Lim Soon Huat	• Paper World Frankfurt 2023	3 to 7 Feb 2023
	• Visited suppliers in Indonesia	1 & 2 Mar 2023
	• Update on SEDEX requirements	13 Mar 2023
	• Visited suppliers in China	26 to 31 Mar 2023
Mr. Ng Chin Nam	• Audit Oversight Board's Conversation with Audit Committees	7 Apr 2022
	• Finance for Non-Finance managers and Professionals	13 & 14 May 2022
	• Tax Seminar on Budget 2023	20 Mar 2023
Mdm. Lam Voon Kean	• Audit Oversight Board's Conversation with Audit Committee	7 Apr 2022
	• Insights into Task Force on Climate-Related Financial Disclosures ("TCFD") and Sustainable Finance	21 Apr 2022
	• Developing Malaysia's Roadmap to Net Zero	27 Apr 2022
	• ISSB-MASB Outreach Session on IFRS Sustainability Disclosure Exposure Drafts	13 Jun 2022
	• Navigating through the evolution of Corporate Governance with the introduction of Tax Corporate Governance Framework ("TCGF")	13 Jul 2022
	• Common Transfer Pricing Challenges in Malaysia	26 Sep 2022
	• Human Rights Risk Management for Malaysian Companies	27 Sep 2022
	• Understanding the requirements in Bursa Malaysia's enhanced sustainability reporting framework	2 Nov 2022
	• KPMG Conference Seminars - 2022 MFRS Updates Seminar	13 Dec 2022
	• TCFD 101 – Getting started with climate-related financial reporting	2 Mar 2023
	• TCFD 102 – Building experience in climate-related financial reporting	3 Mar 2023
Ms. Chua Hooi Luan	• An Overview of Listing Requirements	1 & 2 Jun 2022
	• Advocacy Sessions for Directors and Senior Management of Main Market Listed Issuers	16 Aug 2022
	• Leadership – "Culture Eats Strategy for Breakfast"- Really?	1 Sep 2022
	• Bursa Malaysia Mandatory Accreditation Programme	20 to 22 Sep 2022
	• Steering Through Economic Changes and Challenges	16 Mar 2023

In addition to the above, Directors are updated by the management, company secretary and the external auditors on the latest material development on various relevant rules and regulations during the Committee and Board Meetings.



Corporate Governance Overview Statement (continued)

Directors' Remuneration

NRC is responsible for evaluating and recommending to the Board a transparent and equitable remuneration policy and framework for the directors and senior management of the Group.

The NRC is guided by the following principles:

- a) Remuneration should reflect performance, complexity and responsibility with a view to attracting, motivating and retaining high performance individuals and promoting the enhancement of the Group's value to its shareholders;
- b) Remuneration practices are benchmarked against external market data to ensure staff are fairly remunerated;
- c) The process of remuneration management shall be transparent, conducted in good faith and in accordance with appropriate levels of confidentiality.

Details of the Directors' and senior management's remuneration in relation to Practice 7.1 and 7.2 of the MCCG 2021 are provided separately in the Corporate Governance Report.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit Committee ("AC")

The AC is responsible for ensuring that the financial statements of the Group have been made out in accordance with the provisions of the Companies Act 2016 and applicable accounting standards, and that these provide a balanced and fair view of the financial state and performance of the Group.

The AC of the Group comprises three (3) Independent Non-Executive Directors, all of whom are from strong accounting background. This will enable them to have a good understanding on matters discussed during the AC meetings in particular on accounts related and financial reporting issues.

During the financial year under review, AC organised two (2) private sessions with the external auditor without the presence of the Executive Director and management. The meetings with the auditors provide a direct communication and enable the members of the Committee to assess the suitability, objectivity and independence of the external auditors. In addition, the Audit Committee also assesses the effectiveness of the internal auditors and evaluating the adequacy and efficiency of internal controls.

The detailed composition and summary of activities of the AC are set out separately under Audit Committee Report in this Annual Report.

Risk Management and Internal Control Framework

The Board assumes the overall responsibility for the Group's risk management and internal control system. AC will assist the Board in evaluating the adequacy of the effectiveness of the risk management and internal control framework adopted by the Group. This evaluation covers financial, operational, and compliance controls as well as the processes for identification, evaluation and management of the significant risks faced by the Group.

Details of the Group's Risk Management and Internal Control framework, activities carried out during the financial year under review and reporting processes are set out in the Statement on Risk Management and Internal Control in this Annual Report.



Corporate Governance Overview Statement (continued)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Communication with Stakeholders

The Group acknowledges the importance of communicating its business strategies, progress of strategic initiatives and performance to its stakeholders regularly. Various channels of communication are used to build constructive relationship between the Group and its stakeholders. All communications with analysts, investors and media briefings are channelled through the Executive Chairman and the Chief Financial Officer, who have regular dialogues with institutional investors and deliver presentations to analysts sporadically.

In compliance with the MMLR and the Corporate Disclosure Guide from Bursa Securities, the Group issues timely and accurate quarterly statements via Bursa Securities and the Company's website. The Annual Report is continuously enhanced to take into account the latest development in the area of corporate governance and regulatory requirements. A copy of the Annual Report is disseminated to all shareholders, either in printed or electronic format.

The Group also maintains a corporate website at www.asia-file.com which provides information relating to, among others, annual reports, quarterly financial reports, corporate information and announcements. With this, the investing public and other stakeholders are kept abreast on the business progress and development of the Group.

Conduct of General Meetings

The Board views the Annual General Meeting ("AGM") as the primary forum to communicate with shareholders. AGM held each year provides an excellent platform for shareholders to participate in the question and answer session. Beyond the proposed resolutions, the AGM also serves as an avenue to share updates on the Group's performance as well as future business plans and strategies with shareholders.

The Group distributed the Notice of 28th AGM to shareholders at least 28 days ahead as per the requirement of Companies Act 2016 and MMLR in order to provide sufficient time for shareholders to review the Notice of AGM and appoint proxies to attend the AGM if necessary. The Notice of AGM was also advertised in The Star newspaper for the benefit of shareholders.

The Company's 28th AGM was held on 29 September 2022 at Olive Tree Hotel, Bayan Lepas, Penang with the presence of the Executive Chairman, Chief Financial Officer, other Directors, Company Secretary and the Group's external auditors to address any issues brought up by the shareholders during the AGM.

Poll voting was conducted in a paperless manner using a wireless handheld device for all resolutions set out in the Notice of AGM. The Directors addressed questions raised by the shareholders on the proposed resolutions before putting the resolution to a vote. AGRITEUM Share Registration Services Sdn. Bhd. was appointed as the Poll Administrator to conduct the poll by way of electronic means while Symphony Merchant Sdn. Bhd. was appointed as Independent Scrutineer to verify the poll results at the AGM. All resolutions proposed were duly passed and the outcome of the AGM was announced to Bursa Securities on the same meeting day.

The minutes of the 28th AGM together with the Company's responses to all questions received before and during the AGM were made available to shareholders at the Company's website within thirty (30) business days after the AGM.

This Statement is made in accordance with a resolution of the Board dated 13 July 2023.



Audit Committee Report

The Board is pleased to present the Audit Committee Report and its activities for the financial year ended 31 March 2023.

Audit Committee Composition and Attendance

The Audit Committee comprises of three (3) members, all of whom are Independent Non-Executive Directors. The Chairman of the Audit Committee, Mr. Ng Chin Nam is a member of the Chartered Institute of Management Accountants ("CIMA"). Coming from strong accounting background, all members of the Audit Committee are equipped with the necessary knowledge to analyse and interpret financial statements in order to effectively discharge their duties and responsibilities.

On 30 June 2022, Ms. Chua Hooi Luan had been appointed by the Board as new Independent Non-Executive Director as well as member of the Audit Committee respectively. The appointment complied with paragraph 15.09(1) of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad.

The Audit Committee meets at least four (4) times annually. In addition, at least twice (2) a year, the Audit Committee meets with the external auditors without the Executive Directors and management being present.

Meetings of the Audit Committee were attended by the Company Secretary. Minutes of each meeting were distributed and confirmed by all members.

Composition and attendance at the Audit Committee meetings during the year are as follows:-

Composition	Dates of Meeting				Total Meeting Attended
	30 May 2022	29 Aug 2022	30 Nov 2022	27 Feb 2023	
Mr. Ng Chin Nam (Chairman, Independent Non-Executive Director)	✓	✓	✓	✓	4/4
Mdm. Lam Voon Kean (Independent Non-Executive Director)	✓	✓	✓	✓	4/4
Pn. Nurjannah Binti Ali (Retired on 30 June 2022) (Independent Non-Executive Director)	✓	-	-	-	1/1
Ms. Chua Hooi Luan (Appointed on 30 June 2022) (Independent Non-Executive Director)	-	✓	✓	✓	3/3

Upon invitation by the Audit Committee, the Chief Financial Officer, Head of Internal Audit Department ("IAD") and External Auditors attended the Audit Committee meetings and presented their reports on financial results, audit and other matters for the information and/or approval of the Audit Committee.

The Terms of Reference of the Audit Committee is accessible on the Company's website at www.asia-file.com.

Summary of Activities during the Year

The Audit Committee carried out its duties and responsibilities in accordance with its terms of reference. The main activities carried out by the Committee during the year were as follows:-

1. Financial Reporting

- Reviewed the unaudited quarterly and annual audited financial statements of the Group and recommended them to the Board for approval. The reviews were carried out together with the Chief Financial Officer who will provide any explanation or clarification required by the members of the Audit Committee.



Audit Committee Report (continued)

- b) The focus of review was on:-
- Changes in or implementation of major accounting policies;
 - Significant matters highlighted by management or the external auditors, including financial reporting issues, significant judgements made by management, significant and unusual events or transactions, and how these matters were addressed; and
 - Compliance with accounting standards and other legal or statutory requirements.

2. External Audit

- a) Reviewed with the external auditors:-
- Their audit plan which included the audit strategy and scope of work for the year; and
 - The results of their annual audit, audit report and management letter together with the management's response to their findings.
- b) Held two (2) meetings with the external auditors without the presence of the Executive Directors or management to reinforce the independence of the external audit function of the Company.
- c) Evaluated the performance, effectiveness and independence of the external auditors and made recommendations to the Board on their appointment and remuneration.

On 27 February 2023, prior to the commencement of the audit, the external auditors BDO PLT, presented a summary of their audit plan and strategy which outlined the engagement team, materiality, audit scope, methodology, potential key audit matters and focus areas to the Audit Committee. An audit status presentation by the external auditors to the Audit Committee was carried out on 29 May 2023. The presentation provided a summary of the external auditors' key findings arising from the audit of the consolidated financial statements as at and for the year ended 31 March 2023. No major issues which warrant any specific attention was highlighted during the meetings with the external auditors.

3. Internal Audit

- a) Reviewed and approved the Internal Audit Plan to ensure adequate scope and comprehensive coverage over the activities of the Group and ensured that all high risk areas are audited annually.

During the year, the Internal Audit Plan for the period from 1 April 2023 to 31 March 2024 was presented by the Head of the Internal Audit Department ("IAD") and was subsequently approved by the Audit Committee on 27 February 2023.

- b) Reviewed the internal audit reports which were tabled during the year, the audit recommendations made and management's response to these recommendations. Where appropriate, the Committee has directed management to rectify and improve control procedures and workflow processes based on the internal auditors' recommendations and suggestions for improvement.
- c) Monitored the corrective actions taken on the outstanding audit issues to ensure that all the key risks and control weaknesses have been addressed.
- d) Held separate meetings with the internal auditor, without the presence of the Executive Directors or management, to discuss any problems and reservations.
- e) Evaluated the performance and functions of the internal auditors with focus on its scope of work, functions, competency and that it has the necessary resources to carry out its work during the financial year under review.

4. Other Activities

- a) Reviewed the Audit Committee Report, Statement on Risk Management and Internal Control, Corporate Governance Overview Statement and Corporate Governance Report prior to recommending to the Board for approval.



Audit Committee Report (continued)

- b) Reviewed the recurrent related party transactions of revenue or trading nature and other related party transactions to ensure that they were properly accounted for and disclosed in the Annual Report.
- c) Reviewed the allocation and vesting of Employee's Share Option Scheme ("ESOS") option(s) to eligible employee to ensure compliance with the criteria set out in the By-Laws.

Training

During the financial year 2023, all members of the Audit Committee have attended various seminars, training programs, and conferences. The details of trainings attended are disclosed in the Corporate Governance Overview Statement of this Annual Report.

Internal Audit Function

The Audit Committee is aware of the importance of an independent and adequately resourced internal audit function in discharging its duties and responsibilities. The Group's IAD assists the Audit Committee in reviewing the effectiveness of the Group's internal control systems whilst ensuring that there is an appropriate balance of controls and risks in achieving its business objectives. The IAD also carries out investigative audit where there are improper, dishonest and illegal acts reported.

The IAD reviews the effectiveness of the internal control structures over the Group's activities focusing on high risk areas using a risk-based approach. All high risk activities in each auditable area are audited annually.

The scope of internal audit covers the audits of all key operating units and follow-up audits on all key departments and operations, including subsidiaries within the Group in accordance with the approved Internal Audit Plan. The findings and recommendations were highlighted to the management for their comments and necessary action. The internal audit reports are presented and reported by the Head of the IAD to the Audit Committee on a quarterly basis.

During the financial year 2023, total costs incurred for the Internal Audit function comprising staff payroll and benefits, training, travelling and incidental costs amounted to approximately RM 241,000 (2022: RM 252,000).

This Report is made in accordance with a resolution of the Board dated 13 July 2023.





Statement on Risk Management and Internal Control

Introduction

The Board is pleased to present this Statement on Risk Management and Internal Control ("Statement"), which outlines the nature and scope of the risk management and internal control of the Group during the financial year under review. The associated company of the Group has not been dealt with as part of the Group for the purpose of applying this guidance.

Board's Responsibility

The Board acknowledges its responsibility for the integrity, adequacy and effectiveness of the Group's risk management and internal control system which covers the establishment of an appropriate control environment and framework as well as reviewing its integrity, adequacy and effectiveness.

The Board recognises that a good control system will assist the achievement of its corporate objectives. However, in view of the limitations inherent in any system of internal control, the system is designed to manage rather than eliminate the risk of failure to achieve corporate objectives. Hence, it can only provide reasonable, but not absolute assurance against material misstatement, loss or fraud.

Risk Management and Internal Control

The Board recognises that risk is inherent in its business activities. The Board has established an ongoing process for identifying, evaluating and managing significant risks faced by the Group and this is integrated into the Group's risk management and internal control system. This process has been in place throughout the financial year and up to the date of approval of this Statement. In line with Part II of Principle B of the Malaysian Code on Corporate Governance 2021, an Enterprise Risk Management ("ERM") Framework has been designed to ensure proper management of risks so as not to impede the achievement of the Group's goals and objectives. The framework summarized the key principles of ERM Framework, risk assessment approach and process, and the roles and responsibilities of each level of management in the Group. The Group does not adopt any one risk management standard or guideline as it believes that it will be more beneficial to tailor the approach based on the specific circumstances of the Group.

The responsibility to manage the risks resides at all levels within the Group. The daily operational risks such as receivable monitoring, health and safety, regulatory compliance, product defects and others are mainly managed at the key operating units which will be guided by the established operating procedures. Key business and critical risks which have significant impact on the operations of the Group such as business sustainability, project expansions, and product diversification are managed at the top management level of key operating units.

The Group has adopted the Guidelines on Adequate Procedures pursuant to Subsection (5) of Section 17A under the Malaysian Anti-Corruption Commission (Amendment) Act 2018 to prevent, detect and respond to bribery and corruption risks. The Group has put in place the Anti-Bribery and Anti-Corruption System ("ABAC"), sets out the Code of Business Conduct for Third Parties, Code of Ethics and Conduct for Employees and Directors and the Whistleblowing Policy. The Group's Anti-Bribery and Anti-Corruption Policy as well as the Code of Ethics and Conduct for Employees and Directors and the Whistleblowing Policy can be found on Asia File's website. The ABAC has been provided to all subsidiaries for adoption, subject to customisation for local laws and the respective business environments.

The Group's current risk governance structure comprises the followings:-

(i) The Board

- Assume the overall responsibility for the Group's risk management and internal control system;
- Review and approve the various internal control procedures and improvement plans recommended by the Senior Management and Heads of Operating Units ("HOU");
- Ensure the adequacy and effectiveness of the Group's internal control systems in order to accommodate the changes in business environment or regulatory requirements.



Statement on Risk Management and Internal Control (continued)

(ii) Audit Committee

- Assist the Board in evaluating the adequacy of risk management and internal control framework;
- Review and approve Internal Audit Plan submitted by the Internal Audit Department ("IAD");
- Quarterly review and approve the internal audit report presented by the IAD.

(iii) Senior Management and Heads of Operating Units

- Establish, formulate and recommend sound internal control procedures to be adopted by individual operating unit;
- Oversees the effective implementation of risk policies and guidelines, and cultivation of risk management culture within the Group;
- Review and monitor periodically the status of the Group's principal risks and the required mitigation actions.

(iv) Internal Audit Function

- Assist the Board to monitor the adequacy and effectiveness of the risk management processes and internal control systems that are in place within the Group;
- Play an active role in evaluating whether the existing controls and procedures have been properly implemented and adhered to within the Group;
- Ensure the implementation of corrective and preventive action plans ("CPAP") and meeting the agreed deadlines.

Internal Audit Function

The Group has an in-house IAD which is under the purview of the Audit Committee and is independent of the activities they audit. The IAD consists of three (3) full time staff and is led by Ms Lim Hooi Cheng who has an in-depth knowledge of the Group's operation. She obtained her Master in Business Administration ("MBA") from University Utara Malaysia and is also a member of Malaysian Institute of Accountants ("MIA").

A risk-based Internal Audit Plan which entails the scope of audit, audit timeline and the risk profile of each audit unit for audit work carried out from 1 April 2022 to 31 March 2023 has been approved by the Audit Committee on 28 February 2022.

Internal audits are carried out on all departments and operating units, the frequency of which is determined by the level of risk assessed. During the financial year under review, the IAD had conducted the audits covering the areas of:-

- | | |
|--|--|
| 1. Health and safety management | 6. Review on fixed assets controls |
| 2. Human resource management | 7. Review on operation of new subsidiary |
| 3. Inventory management | 8. Review on product quality |
| 4. IT infrastructure and security management | 9. Security review |
| 5. Legal and regulatory compliance | 10. Waste management |

The audits are carried out based on the detailed audit procedures as stated on the audit program designed for each of the audit area. A risk-based approach is adopted in establishing the Internal Audit Plan. Risk Registers for the various processes undertaken by the individual department are set up to identify major risks for such processes. The registers of key operating units will document the potential impact of those risks, the existing control mechanism available to mitigate the risk and also the recommended control measures to be adopted. The risks landscape as well as the mitigation plans are assessed and categorized based on the level of impact and likelihood as set out in the ERM Framework adopted by the Group. The internal audit program will be updated subsequently to take into consideration the changes in the risk profile.

Upon completion of each audit, an initial report will be issued to the respective HOU in which major audit findings will be highlighted. A deadline will be given to the respective HOU to respond and to provide an appropriate CPAP. IAD will review the responses received and a meeting will be held to discuss on the above. During the meetings, a deadline will be mutually agreed to implement the rectifying actions listed under the CPAP.



Statement on Risk Management and Internal Control (continued)

An internal audit monitoring worksheet will be created to enable the IAD to closely monitor on the implementation of the CPAP. Depending on the severity of the risks identified, it may warrant a re-audit within a shorter period as opposed to the predetermined timetable. In addition, various routine reviews are also conducted to ensure compliance with the established operating procedures.

In the event that new operating procedures or control mechanisms are introduced to strengthen the internal control system, IAD will provide training support to the Group upon request or where necessary, to ensure that the established risk management process is carried out appropriately. Observations arising from the internal audit are presented, together with Management's response and proposed action plans, to the Audit Committee for its review and approval on a quarterly basis. The IAD has also provided the Audit Committee with updates on the subsequent execution of the management's action plans. Although a number of internal control weaknesses were identified during this process, none of the weaknesses have resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's annual report.

Review of Statement by External Auditors

As required by Paragraph 15.23 of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guide 3 ("AAPG 3"), issued by the MIA. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control systems.

Based on the review, the external auditors have reported that nothing has come to their attention that had caused them to believe that this Statement is not prepared, in all material respects, in accordance with the disclosures required by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor in the Statement on Risk Management and Internal Control factually inaccurate.

Conclusion

The Board is of the view that the Group's overall risk management and internal control system are operating adequately and effectively in all material aspects and have received the same assurance from both the Executive Chairman and Chief Financial Officer of the Group.

During the financial year under review, there were no material financial and non-financial losses reported as a result of deficiencies in internal control. The Group will continue to review and implement measures to improve the risk management and internal control environment of the Group.

This Statement is made in accordance with a resolution of the Board dated 13 July 2023.



Sustainability Statement

Introduction

At Asia File, we emphasize not only the operational profitability but also the importance in managing economic, environmental and social risks and opportunities in order to sustain long-term business continuity. We believe that in addition to driving social and environmental change, sustainability initiatives can contribute to an organization's overall success.

Asia File's Sustainability Statement (the "Statement") aims to provide a formal account of the year's sustainability strategies and action plans, the Group's sustainability achievements, as well as the overall positive impact that these efforts created for its business, the environment and society at large.

This Statement is prepared in accordance with the guidelines set out in the Main Market Listing Requirement relating to Sustainability Statement in Annual Report of Listed Issuers issued by Bursa Malaysia Securities Berhad. The associated company of the Group has not been dealt with as part of the Group for the purpose of applying this guidance.

Scope and Boundary

This Statement covers the sustainability performance of the Group's business operations for the financial year ended 31 March 2023 unless otherwise stated. The scope of this Statement includes the main operational subsidiaries located in Malaysia, United Kingdom and Germany, as described in the table below:-

Division	Entities	Countries
Manufacturing	<ul style="list-style-type: none">• Asia File Products Sdn Bhd• AFP Composite Sdn Bhd• Plastoreg Smidt GmbH• Premier Stationery Ltd• Supportive Technology Sdn Bhd	<ul style="list-style-type: none">• Malaysia• Malaysia• Germany and United Kingdom• United Kingdom• Malaysia
Marketing	<ul style="list-style-type: none">• ABBA Marketing Sdn Bhd	<ul style="list-style-type: none">• Malaysia
Paper mill	<ul style="list-style-type: none">• Higher Kings Mill Ltd	<ul style="list-style-type: none">• United Kingdom

Governance Structure

The Board has oversight over all sustainability matters of Asia File and leads the Group in embedding sustainability as part of our business strategy going forward. The Board will consider economic, environmental, social and governance ("EESG") issues in the development of the Group's strategy. EESG issues that are material to value creation are integrated into our business strategies and management processes.

Senior Management who manages the implementation of sustainability matters at their respective operation units assist the Board to ensure that intended goals and objectives are met.

Periodical checks will be conducted by Internal Audit Department ("IAD") in order to ensure the compliance by all operation units.

Stakeholder Engagement

Stakeholders represent the diverse group of parties that have a degree of interest and influence on the Group and the way it operates. A range of communication channels with relevant stakeholders are made available to engage with them as well as to collect their feedback. Such engagements are essential as obtaining their valuable views and feedbacks would identify sustainability opportunity or risks in which the Group may not have otherwise considered.



Sustainability Statement (continued)

The Group acknowledges that sustainable growth is dependent on meeting and exceeding the expectations of our key stakeholders. Prior to its implementation and execution of sustainability approaches, the Group has continuously strived to ensure that stakeholder's feedbacks are reasonably considered and the approaches are aligned with its stakeholders' expectations.

Some of our key stakeholders and the type of engagements we have with them are summarized as below:-

Key Stakeholder	Type of Engagement	Focus Area	Frequency
Shareholders / Investors and Analysts	<ul style="list-style-type: none"> • Annual General Meetings • Annual Reports • Bursa Malaysia Announcements • Corporate website • Correspondences with analysts / shareholders • Press releases 	<ul style="list-style-type: none"> • Business performance and direction • Consistent profitability and dividends from the Group • Good EESG practices • Maximization of shareholders' value • Sustainability agenda 	<ul style="list-style-type: none"> • Quarterly • Annually • As needed
Employees	<ul style="list-style-type: none"> • Performance appraisal and employees recognition • Regular dialogues • Regular safety inspections • Team bonding events 	<ul style="list-style-type: none"> • Equal opportunity • Occupational health and safety • Remuneration and benefits • Training and career development opportunities • Work-life balance and job satisfaction 	<ul style="list-style-type: none"> • Monthly • Quarterly • Annually • On-going
Customers	<ul style="list-style-type: none"> • Customer surveys / reviews • Frequent customer engagements and interactions • Periodical visits and audits by customers 	<ul style="list-style-type: none"> • Competitive prices • ESG practices • Quality of goods and services • Timely delivery 	<ul style="list-style-type: none"> • On-going
Suppliers	<ul style="list-style-type: none"> • Supplier evaluation • Supplier engagements and meetings • Supplier visits 	<ul style="list-style-type: none"> • Compliance with suppliers' code of conducts • Pricing • Quality of goods and services • Sustainability and consistency in supply 	<ul style="list-style-type: none"> • Annually • On-going
Regulators and Government Authorities	<ul style="list-style-type: none"> • Industry seminars and focus group discussions • Periodic visit and inspections • Submission of reports required under regulations 	<ul style="list-style-type: none"> • Compliance with relevant rules and regulations 	<ul style="list-style-type: none"> • Monthly • Annually • On-going
Local Community	<ul style="list-style-type: none"> • Corporate social responsibility programs • Provide job opportunity • Sponsorships and donations 	<ul style="list-style-type: none"> • Contributions to our community • Environmental protection 	<ul style="list-style-type: none"> • On-going

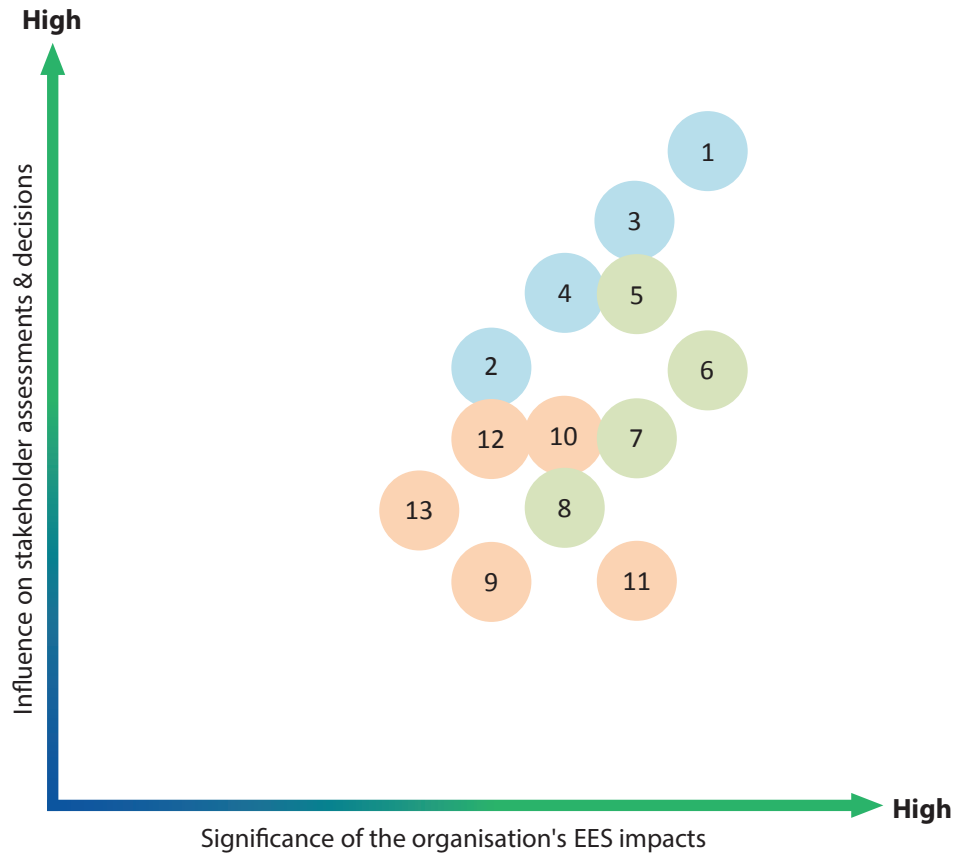


Sustainability Statement (continued)

Materiality Assessment

The materiality assessment was conducted internally based on engagements with stakeholders carried out during the financial year. The materiality assessment enables us to identify and prioritize potential key sustainability risks and opportunities that may impact the Group's business operations and key stakeholders.

Results of the assessment are mapped out in the materiality matrix below:-



Economic	Environmental	Social
1. Business Performance & Business Continuity 2. Community Engagement 3. Business Integrity 4. Data Protection & Privacy	5. Compliance 6. Sustainability Sourcing 7. Energy & Water Cost Saving 8. Waste Management	9. Workforce Diversity & Equal Opportunity 10. Occupational Health & Safety 11. Human Capital & Employee Welfare 12. Human Rights 13. Social Contribution



Sustainability Statement (continued)

Managing Sustainability

Economic

1. Business Performance & Business Continuity

The Group recognises the importance of generating positive economic performance in order to sustain the operation of the business on long term basis. The Group has constantly evolved to fit and meet the ever changing requirements of the business environment through products diversification. It continues to strive for performance improvement in its operations and has successfully generated sustainable profits over the years through the the continued pursuit of new business opportunities, identifying latest business trends and improving its operation efficiencies and capabilities.

In order to achieve long term sustainability goals, the Group has diversified its product range to include consumer and food wares products such as plastic drawer and storage box, plastic chair and plastic shoe box, paper and plastic lunch box, paper bowl and paper cups. During the financial year under review, the Group has also launched these products on both local and overseas E-commerce platform. The successful launching of these products is a strong testament of the Group's competitiveness in term of product quality, service level and pricing.

The above initiatives will reinforce the Group's business performance and sustainability.

2. Community Engagement

Through the business activities carried out at the Group's various facilities, it helps to create value for the local workforce through employment opportunities while contributing to national economies by developing mutually beneficial business relationships with local small and medium enterprises. Aside from recruiting retirees who are qualified for job vacancies, we have also outsourced some of the assembly and packing duties to the disabled group, providing them with an opportunity to make a sustainable living.

3. Business Integrity

Business integrity and ethics form the key foundation to the success of our business. The Group has placed great emphasis on this area and will continue its effort to maintain high standards of corporate ethics and strict compliance with laws and regulations in its operations at all times.

We will be guided by our Code of Ethics and Conduct, which among others promote zero tolerance towards fraud, corruption and money laundering. Our Anti-Bribery and Anti-Corruption Policy provides guidance to all employees on how to deal with bribery and corruption related issues. Under this policy, it will be prohibited for Directors and employees to offer or receive gifts, be it in cash or other gratifications, except for customary gifts of modest nature during festive or special occasions in order to avoid conflict of interest when carrying out their job responsibilities.

The Group has put in place a Whistleblowing Policy which sets out the internal channel and reporting procedures for disclosure of any unethical and improper business conducts that would affect the interest of the Group and its stakeholders, and the protection accorded to whistle blowers who disclose such allegations in good faith.

These policies are made available on the Company's website at www.asia-file.com. We have communicated to all our employees and they are reminded that stern disciplinary action including termination of employment will be taken against them if they are found to have breached these policies.

There were no reported cases of bribery and corruption during the financial year under review.



Sustainability Statement (continued)

4. Data Protection and Privacy

The Group recognizes the importance of information security in its operations, given the constant creation, collection, and management of data concerning its stakeholders and the business.

The Group is committed to protect private information and personal data of our customers, suppliers, and employees. Our cyber security measures and practices ensure that information is appropriately and lawfully shared and that data is handled with the utmost care, done confidentially and with integrity.

We comply with the Personal Data Protection Act 2010 and all information and personal data are secured through the use of its IT system.

The followings outline our key internal controls to protect data privacy:-

- Implement security policies to ensure the security of network, installations, system patching, data backup, and system recovery;
- Protect technology resources and assets with additional cyber security measures such as encryption, firewalls and anti-virus software and regular vulnerability assessment;
- Employees received reminders and awareness regarding malicious cyber-attacks, data security and proper handling of information; and
- Periodical offsite data backup and annual simulation on disaster recovery.

With the internal controls in place, there were no reported cases related to the breaches of data and complaints received from external stakeholders during the financial year under review.

Environmental

5. Compliance

The Group has put into consideration safety and environmental factors in all its operational decisions and continuously explores possible opportunities to minimise any adverse impact from its manufacturing operations. As a manufacturer dealing with papers and plastics materials, the Group places great emphasis on compliance with the environmental rules and regulations set by the various governing authorities both locally and abroad.

6. Sustainability Sourcing

The Group recognizes the positive consequences of an efficient and sustainable supply in its day-to-day business operation.

In order to ensure consistent supply of materials, the Group has taken actions to mitigate the risks by actively pursuing alternative sources of supply or substitution of materials. In addition, the Group has also taken proactive steps to plan production well ahead of time and conduct regular review on its inventory management in order to allow sufficient time to react and rectify any potential supply issues.

In order to minimize environmental impact from our operations, our paper mill in the United Kingdom manufactures environmental friendly bio-degradable paper products from recycled materials. The paper mill is accredited with ISO 14001 - *Environmental Management* and it prides itself in offering products with strong environmental ethics such as Blue Angel, Program for the Endorsement of Forest Certification ("PEFC") and Forest Steward Council ("FSC").



Recycling is key to our consumer wares business as our products are mainly made from recycled resin material. The recycled resins are procured 100% from locally established business entities. The Group consistently promotes the culture of recycling as it strives to minimize usage of externally sourced packaging material by using internally produced materials for which at least 30% consist of recycled components.



Sustainability Statement (continued)

7. Energy and Water Cost Saving

The Group has been continuously devoting efforts to reduce the usage of electricity and water as well as carbon footprint. As part of the measures to save energy, we have initiated installation of solar photovoltaic system to generate clean energy from sunlight since FY2019. To date, the Group has invested more than RM 7.2 million on solar installation projects on all its major manufacturing sites in Malaysia and paper mill in the United Kingdom. The installation has successfully generated approximately 26% of the total electricity consumed by the premises involved in the projects.

We have also initiated a drive to reduce electricity and water consumption via regularly monitoring the usage and carrying out routine checks to ensure all piping, water valves and relevant equipment are in good condition and no wastage occurs. The Group has also gradually replaced its conventional lights to LED lighting to save energy especially on its oversea operating premises.

8. Waste Management

The Group has put in place various steps to reuse and recycle waste products. We have installed recycling machines at our various plants which are involved in recycling plastics waste to be reused in production in order to optimize usage of plastic material.

The Group has appointed government approved waste contractors to dispose of those scheduled wastes that could not be reused or recycled. The Group ensures that all scheduled wastes such as ink and solvents are to be stored in safe places and to be disposed of in an appropriate manner through authorized contractors for off-site treatment. We are maintaining good practices in handling the scheduled wastes to prevent unintended health hazards to our employees and the environment. To improve on our waste management practices, the non-scheduled waste that has been identified was disposed of to third parties for further recycling.

Materials that make up E-waste such as batteries, handphone, charger, computer equipment and other electronics accessories are known to contain toxic and harmful substance which may result in serious impact on human health and environment. On-going "E-waste Collection" Program has been organized to encourage our employees to dispose of such E-wastes in an appropriate way. All collected E-waste was sent to the authorized collection center during the financial year.



We have continuously instilled awareness among our employees on environment conservation through the 3R Concept ("Reduce, Reuse and Recycle"). Recycle bins are provided to encourage waste segregation for proper recycling and disposal purposes. We have also organized the collection of used plastic sachet of beverage packaging for the use of handicraft makers under the "Zero Waste" program.

Our "Save Paper Save Tree" campaign also encourages and educates employees to reduce paper consumption by going paperless. If there is a need to print, employees are urged to print documents double-sided or print on recycled printed papers.



Sustainability Statement (continued)

Social

9. Workforce Diversity and Equal Opportunity

Our equality policy emphasizes the importance of equal employment opportunities and practices with no discrimination against employees on basis of gender, age or ethnicity. The Group is committed to building a diverse workforce and providing a workplace that nurtures inclusion, equity and respect for all.

We strive to promote a positive work culture and fair employment where all our employees are treated with the utmost dignity and enjoy equal career opportunities regardless of age, race, gender, religion, marital status or disability. Employees' performance, expected roles and responsibilities and the Group's financial performance are among the keys to determine the employees' remuneration. As part of our commitment to have a well-balanced gender ratio, the Group supports women in management positions as we continue to recruit, groom, retain and promote women in our workforce.

10. Occupational Health and Safety

Health and Safety continues to be a key priority at Asia File's Group. We place great emphasis on maintaining a safe and healthy workplace for our employees, business partners and visitors and at the same time safeguard the Group against any legal liabilities. To achieve this, detailed operating procedures are in place so that operations are in compliance with rules and regulations currently in force. Regular trainings and briefings are conducted to instill awareness on safe work culture and ensure that all employees are equipped with adequate knowledge and skill to perform their tasks respectively. Our Health & Safety Committee and Internal Audit Department play an important role in ensuring the effectiveness of the policies and procedures and also strict adherence by all employees.

The following measures are being put in place to create a safe and healthy workplace:-

- Regular checks are conducted on potential health & safety risks;
- Health & Safety Committee will conduct quarterly meeting in order to monitor and manage the relevant health and safety policies and procedures;
- Perform frequent inspections on buildings and equipment to ensure safety working procedures are strictly adhered to;
- Regular review on safety procedure and providing training on safety awareness such as operations of motorized vehicle and machineries to ensure our employees are kept abreast with the required skills and knowledge;
- Provision of personal protective equipment to production employees;
- Carry out fire safety audits and drills;
- Install automated sprinkler systems at most of our factories to afford greater levels of fire protection to our people, property and businesses;
- Set up emergency response team at each plant; and
- Strict disciplinary action taken against violation of any health and safety rules and policies.

11. Human Capital and Employee Welfare

Employees are one of the most valuable assets an organization has. One of our key corporate responsibilities is the development of human capital. We strive to ensure employees are allowed two-way communication through various initiatives. An intranet portal which is freely accessible by all employees provides latest information as well as updates on internal policies and operation process flows. A grievances policy is established as a mechanism for employees to raise their grievances and ensuring such grievances are dealt with in a prompt and fair manner in accordance with other related policies of the Group.

We conduct yearly performance appraisal review which provides an excellent platform for feedback and communication between employees and Head of Departments ("HOD") in discussing career advancement, areas of improvement and also training requirements.

For new joiners, the confirmation review creates a sharing session between Human Resources Department and new joiners to understand concerns or issues faced in relation to job scope, working environment and employee welfare.



Sustainability Statement (continued)

By adopting a healthy work-life balance, we strongly believe that employees can improve their productivity and ultimately their performance. All employees are entitled to a range of benefits which promote employee's well-being and productivity.

The continuous personal development of employees is vital to our sustainable success. HOD will plan the training programs for their subordinates based on their specific needs and also in line with their career progression. Various in-house programs and job-skills related trainings were conducted to equip employees with improved skills and knowledge. Employees are encouraged and sponsored to attend external seminars and workshops to keep them abreast of new developments in their respective field of expertise.

Various programs have been organized by the Group for the benefit of its employees such as festive celebrations and health screening events which encourage employees to mingle and interact with one another to foster team spirit and to build a closer working relationship as well as to promote a healthy lifestyle among the workforce.

A "Health Screening" program was organized in August 2022 involving approximately 150 employees. The program aims to raise awareness of health issue, identify potential health risk and take early preventive measures in managing the well-being of our employees.

Health Screening Program 2022



Christmas Celebration 2022



***We are together
as One Big Family***



Sustainability Statement (continued)

12. Human Rights

The Group uphold steadfastly to its principle of showing respect and protecting human rights in all areas of its operations. Any recruitment of child labour as well as any forms of slavery and human trafficking is strictly prohibited.

Our Slavery and Human Trafficking Statement describes the Group's approach in identification of slavery risks and steps taken to prevent slavery and human trafficking within the Group.

13. Social Contribution

We support community activities and contribute positively towards social development and community welfare.

The Group has fully sponsored the printing of the "Penang City Eye", a quarterly free pictorial magazine dedicated to promoting Penang's culture and heritage. The magazine, creatively written, aims to foster a new understanding of and appreciation for Penang's lifestyle, customs and creative endeavours. It is available from arts and lifestyle establishments such as cafes, restaurants, schools and homestay houses in Penang.

The Group has donated files and stationery items to primary and secondary schools and participated in sponsorships in support of community events organized by universities and non-profit organizations.

As part of the Group's community program, we held a community-focused charitable event with visits to non-profit welfare home for children and youth. During the visits, cash and essential items were donated to the children and youth.



Going Forward

The Group is committed to embedding sustainability considerations in its business by considering the impact of its operations on the economy, environment and society. To fulfill its role as a responsible employer and corporate citizen, the Group will adopt and apply effective economic approach, environmental friendly practices, caring social policies and good corporate governance.



Additional Compliance Information

The information set out below are disclosed in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad:

1. Utilisation of Proceeds Raised from Corporate Proposals

There were no proceeds raised by Asia File Corporation Bhd ("the Company") from any corporate proposal during the financial year.

2. Share Buy-back

No shares of the Company were purchased during the year pursuant to the Shares Buy Back scheme.

3. Employees' Share Option Scheme ("ESOS")

- (i) The Employees' Share Option Scheme ("ESOS") of the Company was approved by shareholders at the Extraordinary General Meeting held on 4 March 2022. The implementation of the ESOS is effective from 8 March 2022.
- (ii) During financial year ended 31 March 2023, the total number of ESOS granted, exercised, forfeited and outstanding are set out below:

Description	Number of Options as at 31 March 2023	
	Total Allocated to the Group	Executive Director of the Company
Granted	11,033,000	1,100,000
Exercised	53,800	-
Forfeited	283,200	-
Options Outstanding	10,696,000	1,100,000

- (iii) Percentage of options granted to Directors and Senior Management under ESOS are as follows:

Executive and Senior Management	Since commencement up to 31 March 2023
Aggregate maximum allocation	70.00%
Actual granted	28.91%

The Company did not grant any options to the Non-Executive Directors under the ESOS.

4. Sanctions and/or Penalties

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or Management by the relevant regulatory bodies during the financial year.

5. Audit and Non-audit Fees

Fees for statutory audit paid to BDO PLT or its affiliates by the Company and the Group for the financial year amounted to RM31,100 and RM433,420 respectively.

Fees for non-audit services paid to BDO PLT or its affiliates by the Company and the Group for the financial year amounted to RM5,500 and RM17,500 respectively.



Additional Compliance Information (continued)

6. Variation in Results

There were no profit estimates, forecasts or projections made or released by the Company for the financial year ended 31 March 2023.

7. Profit Guarantee

The Company did not provide any profit guarantee during the financial year.

8. Material Contracts

There were no material contracts entered into by the Company and its subsidiaries involving directors' and major shareholders' interests, either still subsisting at the end of the financial year or entered into since the previous financial year.

9. Recurrent Related Party Transactions of a Revenue or Trading Nature

Details of transactions with related parties undertaken by the Asia File Group during the period under review are disclosed in Note 32 to the Financial Statements.

Compliance Statement

The Group has complied with the relevant principles and practices of the Malaysian Code on Corporate Governance in so far as they are applicable to the Group. The explanation for departure from the practices are available in the Corporate Governance Report.





Directors' Report

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2023.

PRINCIPAL ACTIVITIES

The principal activities of the Company are that of investment holding, commission agent and provider of management services. The principal activities of the subsidiaries are mainly involved in manufacturing and trading of stationery products, paper and plastic based related products and consumer and food wares products. Further details of the subsidiaries are disclosed in Note 9 to the financial statements.

There have been no significant changes in the nature of the activities of the Company and its subsidiaries during the financial year.

RESULTS

	Group RM	Company RM
Profit for the financial year	<u>31,711,743</u>	<u>13,937,407</u>
Profit attributable to:		
Owners of the parent	31,633,027	13,937,407
Non-controlling interests	<u>78,716</u>	<u>-</u>
	<u>31,711,743</u>	<u>13,937,407</u>

DIVIDENDS

Dividends paid, declared and proposed since the end of the previous financial year were as follows:

	Company RM
In respect of financial year ended 31 March 2022:	
Single tier final dividend of 2.00 sen per ordinary share, paid on 27 October 2022	<u>3,895,691</u>

The Directors recommend a single tier final dividend of 3.50 sen per ordinary share, amounting to RM6,793,705 based on the number of ordinary shares in issue as at the date of this report, in respect of the financial year ended 31 March 2023, subject to the approval of members at the forthcoming Annual General Meeting.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those presented in the statements of changes in equity.



Directors' Report (continued)

ISSUE OF SHARES AND DEBENTURES

During the financial year, the issued and fully paid-up ordinary shares of the Company was increased from 194,759,560 ordinary shares to 194,813,360 ordinary shares by way of issuance of 53,800 new ordinary shares pursuant to 53,800 options exercised under the Employees' Share Option Scheme ('ESOS') at exercise price of RM1.5542 each for cash, totalling of RM83,615.

The newly issued ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company. There were no other issuance of shares during the financial year.

The Company did not issue any debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued ordinary shares of the Company during the financial year apart from the issuance of options pursuant to the ESOS.

At an Extraordinary General Meeting of the Company held on 4 March 2022, the shareholders of the Company approved the establishment of an ESOS up to ten percent (10%) of the issued and fully paid-up capital (excluding treasury shares) of the Company for the eligible Executive Directors and employees of the Group. The ESOS shall be in force for a period of five (5) years commencing from 8 March 2022 ('Duration of the Scheme').

The salient features of the ESOS are as follows:

- (a) The maximum number of new ordinary shares in the Company which may be available under the Scheme shall not be more than ten percent (10%) of the issued and fully paid-up share capital (excluding treasury shares) of the Company at any point in time during the duration of the ESOS and further, the following shall be complied with:
 - (i) not more than seventy percent (70%) of the ESOS Options shall be allocated, in aggregate, to the eligible Executive Directors and senior management of the Group; and
 - (ii) not more than ten percent (10%) of the total number of shares to be issued under ESOS shall be allocated to any eligible person who, either singly or collectively through persons connected with him/her, holds twenty percent (20%) or more of the issued and fully paid-up ordinary share capital of the Company.
- (b) Eligible persons are employees and Executive Directors, who have been confirmed in the employment of the Group and of the Company and have been in the employment of the Group and of the Company on a full time basis for at least six (6) months and have attained eighteen (18) years of age or above as at the date of offer.
- (c) The ESOS shall be in force for a period of five (5) years, commencing from 8 March 2022, subject to a further extension of five (5) years as the Board of Directors may determine.
- (d) The option price shall be determined by the Board of Directors upon recommendation of the ESOS committee at a discount of not more than ten percent (10%) from the volume weighted average market price of the ordinary shares of the Company as quoted by Bursa Malaysia Securities Berhad for the five (5) market days immediately preceding the date of the offer.



Directors' Report (continued)

OPTIONS GRANTED OVER UNISSUED SHARES (continued)

The salient features of the ESOS are as follows (continued):

- (e) The options granted are exercisable on a time proportion basis over the duration of the ESOS. The employee's entitlement to the options is vested as soon as they become exercisable.
- (f) The options granted are not entitled to dividends, rights, allotments or any other form of distributions unless the eligible persons become the shareholder of the Company by exercising the ESOS options.

The details of the options over ordinary shares of the Company are as follows:

Date of offer	[-----Number of options over ordinary shares-----]					Exercisable as at 31.03.2023
	Balance as at 1.4.2022	Granted	Exercised	Forfeited*	Balance as at 31.3.2023^	
24 June 2022	-	11,033,000	(53,800)	(283,200)	10,696,000	1,578,050
Exercise price (RM)						1.5542

* Due to resignation

^ Exercisable by the grantee upon achieving the vesting conditions set by the ESOS Committee and are subject to the allotment of shares between 15% to 30% per year over vesting period of five (5) years.

REPURCHASE OF OWN SHARES

At the Annual General Meeting held on 29 September 2022, the shareholders of the Company by an ordinary resolution renewed the mandate given to the Company to repurchase its own shares based, amongst others, on the following terms:

- (i) The number of shares to be repurchased and/or held as treasury shares shall not exceed 10% of its existing issued and paid-up share capital of the Company;
- (ii) The amount to be utilised for the repurchase of own shares by the Company shall not exceed the total retained earnings of the Company at the time of purchase; and
- (iii) The Directors may retain the shares so repurchased as treasury shares and may resell the treasury shares and/or distribute them as share dividend and/or cancel them in a manner they deem fit in accordance with the provisions of the Companies Act 2016 in Malaysia and listing requirements and applicable guidelines of Bursa Malaysia Securities Berhad.

The Company has the rights to retain, cancel, resell and/or distribute these shares as dividends. As treasury shares, the rights attached to them as to voting, dividends and participation in any other distributions or otherwise are suspended.

The Company did not repurchase its own shares during the financial year.



Directors' Report (continued)

REPURCHASE OF OWN SHARES (continued)

As at 31 March 2023, the Company held a total of 500 ordinary shares as treasury shares out of its 194,813,360 issued and fully paid-up ordinary shares. Such shares are held at a carrying amount of RM2,131. The shares repurchased are being held as treasury shares in accordance with Section 127(4)(b) of the Companies Act 2016 in Malaysia and the Main Market Listing Requirements and applicable guideline of Bursa Malaysia Securities.

DIRECTORS

The Directors who have held office during the financial year and up to the date of this report are as follows:

Asia File Corporation Bhd.

Dato' Lim Soon Huat	
Lam Voon Kean	
Chua Hooi Luan	(Appointed on 30 June 2022)
Lee Thean Yew	(Appointed on 30 June 2023)
Nurjannah Binti Ali	(Retired on 30 June 2022)
Ng Chin Nam	(Retired on 30 June 2023)

Subsidiaries of Asia File Corporation Bhd.

Dato' Lim Soon Huat	
Datin Khoo Saw Sim	(Deceased on 10 December 2022)
Chan Sook Chin	
Goh Phaik Ngoh	
Hubertus Rohe	
Lim Chin Chin	
Lim Hooi Ling	
Lim Mei Chin	
Rodney Christopher Martin	
Lim Soon Hee	

DIRECTORS' INTERESTS

The Director holding office at the end of the financial year and his beneficial interests in the ordinary shares and options over ordinary shares of the Company and of its related corporations during the financial year ended 31 March 2023 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

	[.....Number of ordinary shares.....]			
	Balance as at 1-4-2022	Bought	Sold	Balance as at 31-3-2023
Shares in the Company				
<u>Direct interest:</u>				
Dato' Lim Soon Huat	2,882,955	813,500	-	3,696,455
<u>Indirect interest:</u>				
Dato' Lim Soon Huat #	88,116,911	-	-	88,116,911



Directors' Report (continued)

DIRECTORS' INTERESTS (continued)

The Director holding office at the end of the financial year and his beneficial interests in the ordinary shares and options over ordinary shares of the Company and of its related corporations during the financial year ended 31 March 2023 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows (continued):

	[-----Number of options over ordinary shares-----]			
	Balance as at			Balance as at
	<u>1-4-2022</u>	<u>Granted</u>	<u>Exercised</u>	<u>31-3-2023</u>
Shares options in the Company				
<u>Direct interest:</u>				
Dato' Lim Soon Huat	-	1,100,000	-	1,100,000
<u>Indirect interest:</u>				
Dato' Lim Soon Huat ^	-	1,600,000	-	1,600,000

Deemed interest by virtue of shareholdings held through the spouse and/or children pursuant to Section 59(11)(c) and shareholdings in Prestige Elegance (M) Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

^ Deemed interest by virtue of shareholdings held through children pursuant to Section 59 (11)(c) of the Companies Act 2016.

By virtue of Section 8(4) of the Companies Act 2016 in Malaysia, Dato' Lim Soon Huat is deemed interested in the ordinary shares of the subsidiaries to the extent that the Company has an interest.

Other than those disclosed above, none of the other Directors holding office at the end of the financial year held any interest in the ordinary shares and options over ordinary shares of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than those benefits included in the aggregate amount of remuneration received or due and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than the following:

- Certain Directors who may be deemed to derive benefits by virtue of trade transactions entered into with companies in which certain Directors have substantial financial interests; and
- Certain Directors who received remuneration from the subsidiaries as Directors of the subsidiaries.

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate except for the share options granted pursuant to the ESOS disclosed above.



Directors' Report (continued)

DIRECTORS' REMUNERATION

Directors' remuneration of the Group and of the Company for the financial year ended 31 March 2023 were as follows:

	Group RM	Company RM
Fees	387,751	313,632
Other emoluments	4,084,776	2,637,005
Share options granted under share options scheme	184,992	184,992
Benefits-in-kind	71,350	16,750
	<u>4,728,869</u>	<u>3,152,379</u>

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

There were no indemnity given to or insurance effected for the Directors, officers and auditors of the Group and of the Company during the financial year.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

- (c) The Directors are not aware of any circumstances:
 - (i) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent;
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.



Directors' Report (continued)

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (continued)

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT (continued)

- (d) In the opinion of the Directors:
- (i) there has not arisen any item, transaction or event of a material and unusual nature which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and
 - (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which would or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

- (e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.
- (g) The Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD

- (a) On 24 June 2022, the Company offered and granted 11,033,000 units of ESOS options to eligible Executive Directors and employees of the Group and of the Company with an exercise price of RM1.5542 per share.

During the financial year, 53,800 shares options were exercised at an exercise price of RM1.5542.

- (b) Subsequent to the end of the reporting period, the Company repurchased 707,000 of its issued ordinary shares from the open market of Bursa Malaysia Securities on average price of RM1.71 per share.



Directors' Report (continued)

AUDITORS

The auditors, BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206), have expressed their willingness to continue in office.

Auditors' remuneration of the Company and its subsidiaries for the financial year ended 31 March 2023 were as follows:

	Group RM	Company RM
Statutory audit	454,396	31,100
Non-audit services	17,500	5,500
	<u>471,896</u>	<u>36,600</u>

Signed on behalf of the Board in accordance with a resolution of the Directors.

Dato' Lim Soon Huat

Director

Penang

13 July 2023

Lam Voon Kean

Director



Statement by Directors

In the opinion of the Directors, the financial statements set out on pages 53 to 114 have been drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2023 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

Dato' Lim Soon Huat
Director

Lam Voon Kean
Director

Penang
13 July 2023



Statutory Declaration

I, Goh Phaik Ngoh (CA 11330), being the officer primarily responsible for the financial management of Asia File Corporation Bhd., do solemnly and sincerely declare that the financial statements set out on pages 53 to 114 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the
abovenamed at Georgetown in the State of
Penang this 13 July 2023

Goh Phaik Ngoh
Chief Financial Officer

Before me,

Haji Mohamed Yusoff Bin Mohd Ibrahim
No. P156
Commissioner for Oaths
Penang



Independent Auditors' Report To the Members of Asia File Corporation Bhd.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Asia File Corporation Bhd., which comprise the statements of financial position as at 31 March 2023 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 53 to 114.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ('MFRSs'), International Financial Reporting Standards ('IFRSs') and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ('ISAs'). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ('By-Laws') and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of inventories

Inventories of the Group as at 31 March 2023 were RM97,645,535 as disclosed in Note 13 to the financial statements.

We have determined this to be key audit matter because there is inherent subjectivity and estimation involved in determining the adequacy of allowance for inventory obsolescence and in assessing the net realisable value of inventories requiring write down.



Independent Auditors' Report To the Members of Asia File Corporation Bhd. (continued)

Key Audit Matters (continued)

Audit response

Our audit procedures, with the involvement of component auditors, included the following:

- (a) Attended physical inventory count as at year end and observed whether there were inventories that may be slow-moving, damaged or obsolete;
- (b) Compared unit costs of sample inventories to sales values subsequent to the financial year to test whether the carrying amounts of inventories are stated at the lower of cost and net realisable value at financial year end;
- (c) Tested the accuracy of the last transaction date of inventories based on the inventory list used to quantify slow-moving inventories; and
- (d) Assessed the reasonableness and adequacy of the allowance for inventory obsolescence recognised in the financial statements.

We have determined that there are no key audit matters to communicate in our report in respect to the audit of the financial statements of the Company.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRSs, IFRSs and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.



Independent Auditors' Report To the Members of Asia File Corporation Bhd. (continued)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



Independent Auditors' Report To the Members of Asia File Corporation Bhd. (continued)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

We communicate with Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 9 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BDO PLT

201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

Penang
13 July 2023

Lee Beng Tuan

03271/07/2024 J
Chartered Accountant



Statements of Financial Position

As at 31 March 2023

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
ASSETS					
Non-current assets					
Property, plant and equipment	5	110,352,171	113,987,920	1,795	2,103
Right-of-use assets	6	6,379,408	8,009,580	-	-
Investment properties	7	3,812,671	3,898,822	-	-
Intangible assets	8	30,234,474	30,234,474	-	-
Investments in subsidiaries	9	-	-	226,015,915	224,784,374
Investment in an associate	10	217,847,153	229,521,508	35,683,093	35,683,093
Other investments	14	25,047,768	-	-	-
Deferred tax assets	12	400,000	325,144	-	-
		394,073,645	385,977,448	261,700,803	260,469,570
Current assets					
Inventories	13	97,645,535	109,416,524	-	-
Trade and other receivables	11	60,918,150	68,149,788	2,608,380	3,105,452
Other investments	14	1,013,288	80,709,504	142,691	6,399,095
Current tax assets		7,246	37,756	-	15,580
Cash and bank balances	15	248,061,603	133,582,483	22,321,349	4,740,129
		407,645,822	391,896,055	25,072,420	14,260,256
TOTAL ASSETS		801,719,467	777,873,503	286,773,223	274,729,826
EQUITY AND LIABILITIES					
Equity attributable to the owners of the parent					
Share capital	16	202,434,277	202,330,568	202,434,277	202,330,568
Treasury shares	17	(2,131)	(2,131)	(2,131)	(2,131)
Reserves	18	545,706,993	514,262,652	83,696,578	71,819,490
		748,139,139	716,591,089	286,128,724	274,147,927
Non-controlling interests		542,993	468,138	-	-
TOTAL EQUITY		748,682,132	717,059,227	286,128,724	274,147,927



Statements of Financial Position

As at 31 March 2023 (continued)

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
LIABILITIES					
Non-current liabilities					
Lease liabilities	6	1,824,137	3,573,144	-	-
Deferred tax liabilities	12	16,090,438	13,881,296	-	-
		17,914,575	17,454,440	-	-
Current liabilities					
Borrowings	19	-	2,366,477	-	-
Lease liabilities	6	1,290,337	1,426,237	-	-
Trade and other payables	20	29,782,264	36,711,605	529,993	581,899
Current tax liabilities		4,050,159	2,855,517	114,506	-
		35,122,760	43,359,836	644,499	581,899
TOTAL LIABILITIES		53,037,335	60,814,276	644,499	581,899
TOTAL EQUITY AND					
LIABILITIES		801,719,467	777,873,503	286,773,223	274,729,826

The accompanying notes form an integral part of the financial statements.



Statements of Profit or Loss and Other Comprehensive Income For the Financial Year Ended 31 March 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Revenue	22	317,565,205	323,018,336	20,092,859	60,636,509
Cost of sales		(208,511,303)	(206,260,368)	-	-
Gross profit		109,053,902	116,757,968	20,092,859	60,636,509
Other income	23	8,970,516	7,453,800	596,921	190,415
Distribution costs		(26,720,967)	(23,803,377)	-	(6)
Administrative expenses		(36,302,835)	(60,222,562)	(6,263,521)	(4,855,325)
Other operating expenses		(2,282,629)	(1,302,714)	(187,413)	(164,715)
Finance costs	27	(224,374)	(365,847)	-	(691)
Net (losses)/gains on impairment of financial assets		(8,754)	10,202	-	-
Share of (loss)/profit of an associate, net of tax		(8,665,411)	12,965,926	-	-
Profit before tax		43,819,448	51,493,396	14,238,846	55,806,187
Taxation	28	(12,107,705)	(8,120,926)	(301,439)	1,824
Profit for the financial year		31,711,743	43,372,470	13,937,407	55,808,011
Other comprehensive income, net of tax					
Item that may be reclassified subsequently to profit or loss					
Foreign currency translations		1,263,451	(3,892,550)	-	-



Statements of Profit or Loss and Other Comprehensive Income For the Financial Year Ended 31 March 2023 (continued)

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
Item that will not be reclassified subsequently to profit or loss					
Share of other comprehensive income of equity-accounted associate		604,321	320,668	-	-
Other comprehensive income/ (loss) for the financial year, net of tax		1,867,772	(3,571,882)	-	-
Total comprehensive income for the financial year		<u>33,579,515</u>	<u>39,800,588</u>	<u>13,937,407</u>	<u>55,808,011</u>
Profit attributable to:					
Owners of the parent		31,633,027	43,400,460	13,937,407	55,808,011
Non-controlling interests		78,716	(27,990)	-	-
		<u>31,711,743</u>	<u>43,372,470</u>	<u>13,937,407</u>	<u>55,808,011</u>
Total comprehensive income attributable to:					
Owners of the parent		33,504,660	39,850,775	13,937,407	55,808,011
Non-controlling interests		74,855	(50,187)	-	-
		<u>33,579,515</u>	<u>39,800,588</u>	<u>13,937,407</u>	<u>55,808,011</u>

Earnings per ordinary share attributable to equity holders of the Company (sen):

Basic	29(a)	<u>16.24</u>	<u>22.28</u>
Diluted	29(b)	<u>16.11</u>	<u>22.28</u>

The accompanying notes form an integral part of the financial statements.



Statements of Changes in Equity

For the Financial Year Ended 31 March 2023

Group	Note	Share capital RM	Treasury shares RM	Exchange translation reserve RM	Retained earnings RM	Total attributable to owners of the parent RM	Non-controlling interests RM	Total RM
Balance as at 1 April 2021		202,330,568	(2,131)	20,153,049	457,180,214	679,661,700	539,438	680,201,138
Profit for the financial year		-	-	-	43,400,460	43,400,460	(27,990)	43,372,470
Foreign currency translations		-	-	(3,870,353)	-	(3,870,353)	(22,197)	(3,892,550)
Share of other comprehensive income of equity-accounted associate		-	-	320,668	-	320,668	-	320,668
Total comprehensive income		-	-	(3,549,685)	43,400,460	39,850,775	(50,187)	39,800,588
Transactions with owners								
Dividends paid to:	30							
- owners of the parent		-	-	-	(2,921,386)	(2,921,386)	-	(2,921,386)
- non-controlling interests		-	-	-	-	-	(21,113)	(21,113)
Total transactions with owners		-	-	-	(2,921,386)	(2,921,386)	(21,113)	(2,942,499)
Balance as at 31 March 2022		202,330,568	(2,131)	16,603,364	497,659,288	716,591,089	468,138	717,059,227



Statements of Changes in Equity

For the Financial Year Ended 31 March 2023 (continued)

Group	Note	Share capital RM	Treasury shares RM	Exchange translation reserve RM	Share options reserve RM	Retained earnings RM	Total attributable to owners of the parent RM	Non-controlling interests RM	Total RM
Balance as at 1 April 2022		202,330,568	(2,131)	16,603,364	-	497,659,288	716,591,089	468,138	717,059,227
Profit for the financial year		-	-	-	-	31,633,027	31,633,027	78,716	31,711,743
Foreign currency translations		-	-	1,267,312	-	-	1,267,312	(3,861)	1,263,451
Share of other comprehensive income of equity-accounted associate		-	-	604,321	-	-	604,321	-	604,321
Total comprehensive income		-	-	1,871,633	-	31,633,027	33,504,660	74,855	33,579,515
Transactions with owners									
Dividends paid	30	-	-	-	-	(3,895,691)	(3,895,691)	-	(3,895,691)
Issuance of ordinary shares pursuant to ESOS	16	103,709	-	-	(20,094)	-	83,615	-	83,615
Share options vested under ESOS		-	-	-	1,855,466	-	1,855,466	-	1,855,466
Transfer of share options reserve to retained earnings upon lapse of ESOS		-	-	-	(42,945)	42,945	-	-	-
Total transactions with owners		103,709	-	-	1,792,427	(3,852,746)	(1,956,610)	-	(1,956,610)
Balance as at 31 March 2023		202,434,277	(2,131)	18,474,997	1,792,427	525,439,569	748,139,139	542,993	748,682,132



Statements of Changes In Equity

For the Financial Year Ended 31 March 2023 (continued)

Company	Note	Share capital RM	Treasury shares RM	Share options reserve RM	Retained earnings RM	Total RM
Balance as at 1 April 2021		202,330,568	(2,131)	-	18,932,865	221,261,302
Profit for the financial year		-	-	-	55,808,011	55,808,011
Other comprehensive income, net of tax		-	-	-	-	-
Total comprehensive income		-	-	-	55,808,011	55,808,011
Transaction with owners						
Dividends paid	30	-	-	-	(2,921,386)	(2,921,386)
Balance as at 31 March 2022/1 April 2022		202,330,568	(2,131)	-	71,819,490	274,147,927
Profit for the financial year		-	-	-	13,937,407	13,937,407
Other comprehensive income, net of tax		-	-	-	-	-
Total comprehensive income		-	-	-	13,937,407	13,937,407
Transaction with owners						
Dividends paid	30	-	-	-	(3,895,691)	(3,895,691)
Issuance of ordinary shares pursuant to ESOS	16	103,709	-	(20,094)	-	83,615
Share options vested under ESOS		-	-	1,855,466	-	1,855,466
Transfer of share options reserve to retained earnings upon lapse of ESOS		-	-	(42,945)	42,945	-
Total transactions with owners		103,709	-	1,792,427	(3,852,746)	(1,956,610)
Balance as at 31 March 2023		202,434,277	(2,131)	1,792,427	81,904,151	286,128,724

The accompanying notes form an integral part of the financial statements.



Statements of Cash Flows

For the Financial Year Ended 31 March 2023

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		43,819,448	51,493,396	14,238,846	55,806,187
Adjustments for:					
Bad debts written off		2,530	17,679	-	-
Depreciation of:					
- property, plant and equipment	5	9,760,278	8,957,393	308	308
- right-of-use assets	6	1,546,426	1,506,356	-	-
- investment properties	7	86,151	57,707	-	-
Distribution income	23	(224,033)	(2,348,065)	(7,059)	(125,940)
Dividend income from:					
- subsidiaries	22	-	-	(12,754,550)	(55,582,408)
- an associate	22	-	-	(871,960)	(524,080)
Fair value (gain)/loss on other investments		(207,151)	470,491	(156,537)	(46,162)
Gain on a bargain purchase	23	-	(1,166,683)	-	-
Gain on disposal of property, plant and equipment	23	(86,757)	(166,235)	-	-
Impairment losses on trade receivables	11(g)	8,754	2,295	-	-
Inventories written back	13(c)	(730,520)	(806,768)	-	-
Inventories written down	13(c)	2,450,057	586,148	-	-
Property, plant and equipment written off		5,480	778	-	-
Reversal of impairment losses on trade receivables	11(g)	-	(12,497)	-	-
Unrealised (gain)/loss on foreign exchange		(3,164,723)	647,733	(138,150)	93,702
Interest expense	27	224,374	365,847	-	691
Interest income from:					
- bank balances	23	(4,200,950)	(188,719)	(294,723)	(5,437)
- other investments	23	(254,432)	(450,461)	-	(12,876)
Share options vested under ESOS	24	1,855,466	-	623,925	-
Share of loss/(profit) of an associate, net of tax		8,665,411	(12,965,926)	-	-
Operating profit/(loss) before working capital changes		59,555,809	46,000,469	640,100	(396,015)



Statements of Cash Flows

For the Financial Year Ended 31 March 2023 (continued)

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
CASH FLOWS FROM OPERATING ACTIVITIES (continued)					
Operating profit/(loss) before working capital changes (continued)		59,555,809	46,000,469	640,100	(396,015)
Working capital changes:					
Inventories		10,588,199	(15,510,445)	-	-
Trade and other receivables		7,655,725	(2,246,123)	497,072	1,267,705
Trade and other payables		(7,356,427)	(9,476,136)	(51,906)	(1,443,157)
Cash generated from/(used in) operations		70,443,306	18,767,765	1,085,266	(571,467)
Tax paid		(8,877,489)	(5,135,346)	(171,353)	(45,143)
Tax refunded		-	514,918	-	57,927
Net cash from/(used in) operating activities		61,565,817	14,147,337	913,913	(558,683)
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of a subsidiary, net of cash and cash equivalents acquired	9(c)	-	(20,116,777)	-	(22,597,318)
Acquisition of additional interests in an associate	10(e)	-	(28,865,865)	-	(28,865,865)
Dividends received from:					
- subsidiaries		-	-	12,754,550	55,582,408
- an associate		3,613,265	3,265,385	871,960	524,080
Interest received		4,455,382	639,180	294,723	18,313
Placement of deposits with licensed banks with maturity of more than three (3) months		(85,050,000)	-	(17,500,000)	-
Subscription of quoted bond		(25,047,500)	-	-	-
Net proceeds from redemption/ (purchase) of short-term funds		80,127,132	(11,637,652)	6,420,000	(563,427)
Proceeds from disposal of property, plant and equipment		86,772	166,245	-	-
Purchase of property, plant and equipment	5	(5,918,503)	(8,299,760)	-	-
Net cash (used in)/from investing activities		(27,733,452)	(64,849,244)	2,841,233	4,098,191



Statements of Cash Flows

For the Financial Year Ended 31 March 2023 (continued)

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issuance of ordinary shares pursuant to ESOS	16(a)	83,615	-	83,615	-
Dividends paid to:					
- owners of the parent	30	(3,895,691)	(2,921,386)	(3,895,691)	(2,921,386)
- non-controlling interests		-	(21,113)	-	-
Interest paid		(76,645)	(171,362)	-	(691)
Net repayment of short-term borrowings		(2,365,267)	(23,801,567)	-	-
Payment of lease liabilities	6	(1,941,923)	(2,240,288)	-	-
Net cash used in financing activities		<u>(8,195,911)</u>	<u>(29,155,716)</u>	<u>(3,812,076)</u>	<u>(2,922,077)</u>
Net increase/(decrease) in cash and cash equivalents		25,636,454	(79,857,623)	(56,930)	617,431
Effects of exchange rate changes		3,792,666	(1,757,481)	138,150	(93,702)
Cash and cash equivalents at beginning of financial year		<u>133,582,483</u>	<u>215,197,587</u>	<u>4,740,129</u>	<u>4,216,400</u>
Cash and cash equivalents at end of financial year	15(c)	<u><u>163,011,603</u></u>	<u><u>133,582,483</u></u>	<u><u>4,821,349</u></u>	<u><u>4,740,129</u></u>



Statements of Cash Flows

For the Financial Year Ended 31 March 2023 (continued)

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Group	Lease liabilities (Note 6) RM	Short-term borrowings (Note 19) RM
Balance as at 1 April 2022	4,999,381	2,366,477
Cash flows	(1,941,923)	(2,365,267)
Non-cash flows:		
- exchange differences	(90,713)	(1,210)
- unwinding of interest	147,729	-
Balance as at 31 March 2023	<u>3,114,474</u>	<u>-</u>
Balance as at 1 April 2021	6,774,383	26,166,834
Cash flows	(2,240,288)	(23,801,567)
Non-cash flows:		
- acquisition of a subsidiary	450,817	-
- exchange differences	(180,016)	1,210
- unwinding interest	194,485	-
Balance as at 31 March 2022	<u>4,999,381</u>	<u>2,366,477</u>

The accompanying notes form an integral part of the financial statements.





Notes to the Financial Statements

31 March 2023

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at 170-09-01, Livingston Tower, Jalan Argyll, 10050 George Town, Penang.

The principal place of business of the Company is located at Plot 16, Kawasan Perindustrian Bayan Lepas, Phase IV, Mukim 12, 11900 Bayan Lepas, Penang.

The consolidated financial statements for the financial year ended 31 March 2023 comprise the Company and its subsidiaries and the interests of the Group in an associate. These financial statements are presented in Ringgit Malaysia ('RM'), which is also the functional currency of the Company.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 13 July 2023.

2. PRINCIPAL ACTIVITIES

The principal activities of the Company are that of investment holding, commission agent and provider of management services. The principal activities of the subsidiaries are mainly involved in manufacturing and trading of stationery products, paper and plastic based related products and consumer and food wares products. Further details of the subsidiaries are disclosed in Note 9 to the financial statements.

There have been no significant changes in the nature of the activities of the Company and its subsidiaries during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ('MFRSs'), International Financial Reporting Standards ('IFRSs') and the provisions of the Companies Act 2016 in Malaysia.

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new MFRSs during the financial year. The new MFRSs and Amendments to MFRSs adopted during the financial year are disclosed in Note 34.1 to the financial statements.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.



Notes to the Financial Statements

31 March 2023 (continued)

4. OPERATING SEGMENTS

The Group has two (2) reportable segments, as described below, which are the strategic business units of the Group. The strategic business units offer different products and are separately evaluated by the Chief Executive Officer ('CEO') in deciding how to allocate resources and in assessing performance of the Group.

The reportable segments of the Group are as follows:

- (i) Filing products - Manufacturing and trading of stationery products, paper and plastic based related products
- (ii) Consumer and food ware products - Manufacturing and trading of consumer and food ware products

Performance is measured based on the revenue derived from the products sold and operating profit of the business segments as included in the internal management reports that are reviewed at least on a quarterly basis by the CEO, who is the chief operating decision maker of the Group. Segment assets and segment liabilities information is neither included in the internal management reports nor provided to the Board of Directors. Hence, no disclosure is made on segment assets and segment liabilities.

The accounting policies of operating segments are the same as those described in the respective notes to the financial statements.

(a) Reportable segments

Group	Filing products RM	Consumer and food ware products RM	Total RM
2023			
Segment profits	40,514,976	7,470,566	47,985,542
<i>Included in the measure of segment profits are:</i>			
Revenue from external customers	267,902,828	49,584,828	317,487,656
Depreciation of:			
- investment properties	48,226	37,925	86,151
- property, plant and equipment	6,678,001	3,082,277	9,760,278
- right-of-use assets	1,391,728	154,698	1,546,426



Notes to the Financial Statements 31 March 2023 (continued)

4. OPERATING SEGMENTS (continued)

(a) Reportable segments (continued)

Group	Filing products RM	Consumer and food ware products RM	Total RM
2022			
Segment profits	26,455,631	9,263,835	35,719,466
<i>Included in the measure of segment profits are:</i>			
Revenue from external customers	274,204,643	48,738,072	322,942,715
Depreciation of:			
- investment properties	48,226	9,481	57,707
- property, plant and equipment	7,578,971	1,378,422	8,957,393
- right-of-use assets	1,475,473	30,883	1,506,356

(b) Reconciliations

Reconciliations of reportable segment revenue and profit or loss to the corresponding amounts of the Group are as follows:

Group	2023 RM	2022 RM
Revenue		
Total revenue for reportable segments	317,487,656	322,942,715
Revenue for non-reportable segment	77,549	75,621
Revenue of the Group per consolidated statement of profit or loss and other comprehensive income	317,565,205	323,018,336
Profit for the financial year		
Total profit for reportable segments	47,985,542	35,719,466
Loss for non-reportable segment	(162,875)	(509,586)
Gain on a bargain purchase	-	1,166,683
Finance costs	(224,374)	(365,847)
Investing results*	4,886,566	2,516,754
Share of (loss)/profit of an associate	(8,665,411)	12,965,926
Tax expense	(12,107,705)	(8,120,926)
Profit for the financial year	31,711,743	43,372,470

* Comprise distribution income from short-term funds, gain or loss on fair value adjustments of other investments and interest income from financial institutions.



Notes to the Financial Statements

31 March 2023 (continued)

4. OPERATING SEGMENTS (continued)

(c) Geographical information

The manufacturing facilities of the Group are based in Malaysia and Europe.

In presenting information on the basis of geographical areas, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets of the Group. The non-current assets do not include deferred tax assets, financial instruments and investment in an associate.

Group	Revenue		Non-current assets	
	2023 RM	2022 RM	2023 RM	2022 RM
Malaysia	82,551,334	84,638,077	80,911,803	83,168,925
Asia (excluding Malaysia)	7,007,939	4,651,678	-	-
Europe	215,613,208	213,598,258	69,866,921	72,961,871
America	2,939,726	7,012,447	-	-
Others	9,452,998	13,117,876	-	-
	<u>317,565,205</u>	<u>323,018,336</u>	<u>150,778,724</u>	<u>156,130,796</u>

(d) Major customers

A major customer of the Group, with revenue equal or more than ten percent (10%) of the revenue of the Group, contributes approximately RM47,658,008 (2022: RM50,595,379) of the revenue of the Group.





Notes to the Financial Statements

31 March 2023 (continued)

5. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land	Buildings	Plant and machinery	Office equipment, furniture and fittings	Motor vehicles	Total
	RM	RM	RM	RM	RM	RM
At cost						
Balance as at 1 April 2022	17,349,259	102,755,379	197,037,529	21,334,240	9,845,784	348,322,191
Additions	-	276,318	3,981,300	585,676	1,075,209	5,918,503
Disposals	-	-	(21,500)	(44,384)	(339,274)	(405,158)
Written off	-	(15,697)	(243,395)	(227,287)	-	(486,379)
Exchange differences	89,250	847,570	1,618,697	416,426	70,855	3,042,798
Balance as at 31 March 2023	17,438,509	103,863,570	202,372,631	22,064,671	10,652,574	356,391,955
Accumulated depreciation						
Balance as at 1 April 2022	0	48,600,290	157,684,146	19,825,326	8,224,509	234,334,271
Charge for the financial year	0	2,345,090	6,421,956	326,484	666,748	9,760,278
Disposals	0	-	(21,500)	(44,379)	(339,264)	(405,143)
Written off	0	(10,227)	(243,395)	(227,277)	-	(480,899)
Exchange differences	0	719,275	1,639,588	404,957	67,457	2,831,277
Balance as at 31 March 2023	0	51,654,428	165,480,795	20,285,111	8,619,450	246,039,784
Carrying amount						
Balance as at 31 March 2023	17,438,509	52,209,142	36,891,836	1,779,560	2,033,124	110,352,171



Notes to the Financial Statements

31 March 2023 (continued)

5. PROPERTY, PLANT AND EQUIPMENT (continued)

Group	Freehold land RM	Buildings RM	Plant and machinery RM	Office equipment, furniture and fittings RM	Motor vehicles RM	Total RM
At cost						
Balance as at 1 April 2021	17,483,134	94,187,145	189,131,043	21,673,185	9,307,501	331,782,008
Additions	-	822,833	6,199,258	192,801	1,084,868	8,299,760
Acquisition of a subsidiary (Note 9(c))	-	9,504,619	5,448,001	205,110	119,203	15,276,933
Disposals	-	-	(531,190)	-	(494,998)	(1,026,188)
Written off	-	-	-	(76,147)	-	(76,147)
Exchange differences	(133,875)	(1,759,218)	(3,209,583)	(660,709)	(170,790)	(5,934,175)
Balance as at 31 March 2022	17,349,259	102,755,379	197,037,529	21,334,240	9,845,784	348,322,191
Accumulated depreciation						
Balance as at 1 April 2021	-	47,592,932	155,434,670	20,098,741	8,322,856	231,449,199
Charge for the financial year	-	2,243,517	5,720,481	439,655	553,740	8,957,393
Disposals	-	-	(531,185)	-	(494,993)	(1,026,178)
Written off	-	-	-	(75,369)	-	(75,369)
Exchange differences	-	(1,236,159)	(2,939,820)	(637,701)	(157,094)	(4,970,774)
Balance as at 31 March 2022	-	48,600,290	157,684,146	19,825,326	8,224,509	234,334,271
Carrying amount						
Balance as at 31 March 2022	17,349,259	54,155,089	39,353,383	1,508,914	1,621,275	113,987,920



Notes to the Financial Statements

31 March 2023 (continued)

5. PROPERTY, PLANT AND EQUIPMENT (continued)

Company	2023 RM	2022 RM
Office equipment, furniture and fittings		
At cost		
Balance as at 1 April 2022/2021 and 31 March	2,615	2,615
Accumulated depreciation		
Balance as at 1 April 2022/2021	512	204
Charge for the financial year	308	308
Balance as at 31 March	820	512
Carrying amount		
Balance as at 31 March	1,795	2,103

- (a) All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset. After initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.
- (b) Freehold land has unlimited useful life and is not depreciated. Depreciation is calculated to write down the cost of the assets to their residual values on a straight-line basis over their estimated useful lives. The principal depreciation annual rates are as follows:

Buildings	2% - 10%
Plant and machinery	6.66% - 25%
Office equipment, furniture and fittings	8% - 33.33%
Motor vehicles	15% - 25%





Notes to the Financial Statements

31 March 2023 (continued)

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Right-of-use assets

Group	Balance as at 1 April 2022 RM	Charge for the financial year RM	Exchange differences RM	Balance as at 31 March 2023 RM	
Carrying amount					
Leasehold lands	3,042,472	(92,448)	-	2,950,024	
Building	4,352,209	(1,359,745)	(83,746)	2,908,718	
Plant and machinery	614,899	(94,233)	-	520,666	
	8,009,580	(1,546,426)	(83,746)	6,379,408	
Group	Balance as at 1 April 2021 RM	Acquisition of a subsidiary (Note 9(c)) RM	Charge for the financial year RM	Exchange differences RM	Balance as at 31 March 2022 RM
Carrying amount					
Leasehold lands	1,094,189	1,995,381	(47,098)	-	3,042,472
Building	5,951,684	-	(1,443,491)	(155,984)	4,352,209
Plant and machinery	-	630,666	(15,767)	-	614,899
	7,045,873	2,626,047	(1,506,356)	(155,984)	8,009,580



Notes to the Financial Statements

31 March 2023 (continued)

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

Lease liabilities

Group	Balance as at 1 April 2022 RM	Lease payments RM	Interest expense RM	Exchange differences RM	Balance as at 31 March 2023 RM	
Carrying amount						
Building	4,616,182	(1,649,111)	131,152	(90,713)	3,007,510	
Plant and machinery	383,199	(292,812)	16,577	-	106,964	
	4,999,381	(1,941,923)	147,729	(90,713)	3,114,474	
Group	Balance as at 1 April 2021 RM	Acquisition of a subsidiary (Note 9(c)) RM	Lease payments RM	Interest expense RM	Exchange differences RM	Balance as at 31 March 2022 RM
Carrying amount						
Building	6,774,383	-	(2,165,999)	187,814	(180,016)	4,616,182
Plant and machinery	-	450,817	(74,289)	6,671	-	383,199
	6,774,383	450,817	(2,240,288)	194,485	(180,016)	4,999,381



Notes to the Financial Statements

31 March 2023 (continued)

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

Lease liabilities (continued)

	Group	
	2023 RM	2022 RM
Represented by:		
Current liabilities	1,290,337	1,426,237
Non-current liabilities	1,824,137	3,573,144
	<u>3,114,474</u>	<u>4,999,381</u>
Lease liabilities owing to financial institutions	106,964	383,199
Lease liabilities owing to non-financial institutions	3,007,510	4,616,182
	<u>3,114,474</u>	<u>4,999,381</u>

- (a) Right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the lease.

After initial recognition, right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any re-measurement of the lease liabilities.

- (b) The right-of-use assets are depreciated on the straight-line basis over the earlier of the estimated useful lives of the right-of-use assets or the lease terms. The remaining lease terms of right-of-use assets are as follows:

Leasehold lands	28 - 32 years (2022: 29 - 33 years)
Building	2 years (2022: 3 years)
Plant and machinery	1 year (2022: 2 years)

- (c) The Group has certain leases of assets with lease term of twelve (12) months or less. The Group applies the "short-term lease" exemptions for these leases.

- (d) The Group leases a lease contract that includes extension and termination option. This is used to maximise operational flexibility in terms of managing the asset used in the operations of the Group.

There is no potential future rental payments that are not included in the lease terms.



Notes to the Financial Statements 31 March 2023 (continued)

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

(e) The following are the amounts recognised in profit or loss:

	Group	
	2023 RM	2022 RM
Depreciation charge of right-of-use assets (included in administrative expenses)	1,546,426	1,506,356
Interest expense on lease liabilities (included in finance costs)	147,729	194,485
Expenses relating to short-term leases (included in cost of sales)	317,159	310,434
	<u>2,011,314</u>	<u>2,011,275</u>

(f) The following are total cash outflows for leases as a lessee:

	Group	
	2023 RM	2022 RM
Included in net cash flows from operating activities:		
Payment relating to short-term leases	317,159	310,434
Included in net cash flows from financing activities:		
Payment of lease liabilities	1,941,923	2,240,288
Total cash outflows for leases	<u>2,259,082</u>	<u>2,550,722</u>

(g) Information on financial risks of lease liabilities is disclosed in Note 33 to the financial statements.

7. INVESTMENT PROPERTIES

Group	Freehold land RM	Leasehold lands RM	Factory buildings RM	Total RM
Carrying amount				
Balance as at 1 April 2022	603,764	227,488	3,067,570	3,898,822
Depreciation charge for the financial year	-	(6,894)	(79,257)	(86,151)
Balance as at 31 March 2023	<u>603,764</u>	<u>220,594</u>	<u>2,988,313</u>	<u>3,812,671</u>
As at 31 March 2023				
Cost	603,764	379,155	3,962,819	4,945,738
Accumulated depreciation	-	(158,561)	(974,506)	(1,133,067)
Carrying amount	<u>603,764</u>	<u>220,594</u>	<u>2,988,313</u>	<u>3,812,671</u>



Notes to the Financial Statements

31 March 2023 (continued)

7. INVESTMENT PROPERTIES (continued)

Group	Freehold land RM	Leasehold lands RM	Factory buildings RM	Total RM
Carrying amount				
Balance as at 1 April 2021	-	234,382	1,222,147	1,456,529
Acquisition of a subsidiary (Note 9(c))	603,764	-	1,896,236	2,500,000
Depreciation charge for the financial year	-	(6,894)	(50,813)	(57,707)
Balance as at 31 March 2022	<u>603,764</u>	<u>227,488</u>	<u>3,067,570</u>	<u>3,898,822</u>
As at 31 March 2022				
Cost	603,764	379,155	3,962,819	4,945,738
Accumulated depreciation	-	(151,667)	(895,249)	(1,046,916)
Carrying amount	<u>603,764</u>	<u>227,488</u>	<u>3,067,570</u>	<u>3,898,822</u>

- (a) Leasehold lands represent right-of-use assets arising from lease arrangements that meet the definition of investment properties.
- (b) Investment properties are properties which are held to earn rental yields or for capital appreciation or for both and are not occupied by the Group.

Investment properties are initially measured at cost, which includes transaction costs. After initial recognition, investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land has unlimited useful life and is not depreciated. Depreciation is calculated to write down the cost of the assets to their residual values on a straight-line basis over their estimated useful lives. The principal depreciation period and annual rate are as follows:

Leasehold lands	32 years (2022: 33 years)
Factory buildings	2%

At the end of each reporting period, the carrying amount of investment properties is assessed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. A write down is made if the carrying amount exceeds the recoverable amount.



Notes to the Financial Statements

31 March 2023 (continued)

7. INVESTMENT PROPERTIES (continued)

- (c) The fair value of investment properties for disclosure purposes, which is at Level 3 of the fair value hierarchy, is as follows:

	2023 RM	2022 RM
Fair value	7,800,000	6,500,000

The fair value which amounted to RM7,800,000 (2022: RM4,000,000) was determined based on Directors' estimation using the market comparison method by reference to market evidence of transaction prices of similar properties and recent experience in the location and category of the properties being valued. The unobservable input into this valuation method is price per square foot of comparable properties. The estimated fair value would increase if the historical sales transaction prices were higher and vice versa.

In the previous financial year, the fair value which amounted to RM2,500,000 was determined based on the assistance of an independent professional valuation that has the relevant experience in the location and category of the property. The valuation was based on the assets highest and best use arrived at using the sales comparison approach by analysing sales and listing of similar properties in the locality by making reference to market evidence of prices per square feet and adjusted for differences in key attributes such as property size, location and other relevant factors.

There is no transfer between levels in the fair value hierarchy during the financial year.

- (d) Direct operating expenses arising from investment properties generating rental income during the financial year are as follows:

	Group	
	2023 RM	2022 RM
Quit rent and assessment	28,488	20,558

- (e) The Group has entered into non-cancellable operating lease agreements on certain properties for terms of up to two and a half (2.5) years and renewable at the end of the lease period subject to an increase clause. The monthly rental consists of a fixed base rent.

- (f) The Group has aggregate future minimum lease receivable as at the end of each reporting period as follows:

	Group	
	2023 RM	2022 RM
Less than one (1) year	474,996	474,996
One (1) to two (2) years	48,000	474,996
Two (2) to three (3) years	-	48,000
	522,996	997,992



Notes to the Financial Statements 31 March 2023 (continued)

8. INTANGIBLE ASSETS

Group	Goodwill RM	Customer contracts RM	Total RM
At cost			
Balance as at 1 April 2022	30,234,456	2,698,067	32,932,523
Exchange differences	-	69,181	69,181
Balance as at 31 March 2023	30,234,456	2,767,248	33,001,704
Accumulated amortisation			
Balance as at 1 April 2022	-	2,698,049	2,698,049
Exchange differences	-	69,181	69,181
Balance as at 31 March 2023	-	2,767,230	2,767,230
Carrying amount			
Balance as at 31 March 2023	30,234,456	18	30,234,474
At cost			
Balance as at 1 April 2021	30,234,456	2,801,839	33,036,295
Exchange differences	-	(103,772)	(103,772)
Balance as at 31 March 2022	30,234,456	2,698,067	32,932,523
Accumulated amortisation			
Balance as at 1 April 2021	-	2,801,821	2,801,821
Exchange differences	-	(103,772)	(103,772)
Balance as at 31 March 2022	-	2,698,049	2,698,049
Carrying amount			
Balance as at 31 March 2022	30,234,456	18	30,234,474

- (a) Intangible assets are initially measured at cost. After initial recognition, intangible assets, excluding goodwill are carried at cost less accumulated amortisation and any accumulated impairment losses.

Customer contracts are amortised over the estimated useful life of seven (7) years.

Goodwill recognised in a business combination is an asset at the acquisition date and is initially measured at cost. After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any.

- (b) Goodwill has been fully allocated to the Group's cash-generating units ('CGU') identified in the operations of a foreign subsidiary in Germany acquired in the past, which is involved in the manufacturing and trading of stationery products. Goodwill is allocated to the Group's CGU expected to benefit from the synergies of the acquisition.



Notes to the Financial Statements

31 March 2023 (continued)

8. INTANGIBLE ASSETS (continued)

- (c) Goodwill is tested for impairment on an annual basis by comparing the carrying amount with the recoverable amount of the CGU based on its value-in-use. The value-in-use calculations apply a discounted cash flow model using cash flow projections from the financial forecast based on the following assumptions:
- (i) Cash flows are projected based on the management's most recent five (5) years financial budgets.
 - (ii) The pre-tax discount rate used for cash flows discounting purpose is estimated based on an industry average cost of capital. The average discount rate applied for cash flow projections is 8% (2022: 7%).
 - (iii) The future cash flows were projected based on the actual net operating cash flows achieved by the CGU in the current financial year, assuming zero growth rate in the next five (5) financial years and in perpetuity.
 - (iv) Management believes that any reasonably possible change in the key assumptions would not cause the recoverable amount of the CGU to be materially below the carrying amount. Based on the annual impairment testing undertaken by the Group, no impairment losses were required for the carrying amount of the goodwill assessed as at 31 March 2023 as the recoverable amount of CGU was in excess of its carrying amount.

9. INVESTMENTS IN SUBSIDIARIES

	Company	
	2023 RM	2022 RM
Unquoted equity shares, at cost	220,665,361	220,665,361
Share-based payments allocated to subsidiaries	5,350,554	4,119,013
	<u>226,015,915</u>	<u>224,784,374</u>

- (a) Investments in subsidiaries, which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less impairment losses, if any.

All components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by MFRSs. The choice of measurement basis is made on a combination-by-combination basis. Subsequent to initial recognition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.



Notes to the Financial Statements

31 March 2023 (continued)

9. INVESTMENTS IN SUBSIDIARIES (continued)

(b) Details of the subsidiaries are as follows:

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2023	2022	
ABBA Marketing Sdn. Bhd. ^	Malaysia	100%	100%	Trading of stationery products, and recyclable food wares, graphic designing and desktop publishing
AFP Composite Sdn. Bhd. ^	Malaysia	100%	100%	Manufacture and supply of plastic related products and filing products
Asia File Products Sdn. Bhd. ^	Malaysia	100%	100%	Manufacture and sale of stationery products, consumer and food wares and other paper and plastic based products
Formosa Technology Sdn. Bhd. ^	Malaysia	100%	100%	Manufacturing of consumer ware products
Higher Kings Mill Limited *	United Kingdom	100%	100%	Manufacture and sale of coloured paper and boards for filing, educational and other specialty markets
Lim & Khoo Sdn. Bhd. ^	Malaysia	100%	100%	Investment holding
Premier Stationery Limited *	United Kingdom	95%	95%	Import, assembly and distribution of stationery products
Premier Stationery Pte. Ltd. #	Singapore	100%	100%	Trading of stationery products
Sin Chuan Marketing Sdn. Bhd. ^	Malaysia	100%	100%	Dormant
Supportive Technology Sdn. Bhd. #	Malaysia	100%	100%	Manufacturing and selling of consumer plastic ware products
Subsidiary of Asia File Products Sdn. Bhd.				
Plastoreg Smidt GmbH *	Germany	100%	100%	Manufacture and distribution of stationery products



Notes to the Financial Statements

31 March 2023 (continued)

9. INVESTMENTS IN SUBSIDIARIES (continued)

(b) (continued)

^ Subsidiaries audited by BDO PLT, Malaysia

* Subsidiaries audited by BDO member firms

Subsidiary not audited by BDO PLT or BDO member firms

(c) Acquisition of a subsidiary

In the previous financial year, the Company had 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.

Fair values of the identifiable total assets and liabilities acquired and the effects on cash flows arising from the acquisition were as follows:

	RM
Property, plant and equipment	15,276,933
Right-of-use assets	2,626,047
Investment properties	2,500,000
Deferred tax assets	242,000
Inventories	3,142,727
Trade and other receivables	4,751,178
Current tax assets	9,656
Cash and bank balances	2,480,541
Lease liabilities	(450,817)
Trade and other payables	(6,814,264)
Total identifiable net assets	<u>23,764,001</u>
Gain on a bargain purchase	<u>(1,166,683)</u>
Cost of acquisition	<u><u>22,597,318</u></u>

The effects of the acquisition on cash flows of the Group were as follows:

	RM
Consideration paid in cash	21,468,000
Deferred consideration*	1,129,318
Total consideration	<u>22,597,318</u>
Less: Cash and cash equivalents of subsidiary acquired	<u>(2,480,541)</u>
Net cash outflows from the acquisition	<u><u>20,116,777</u></u>

* As at 31 March 2022, the Company had fully settled the deferred consideration.

If the acquisition occurred on 1 April 2021, revenue and profit after tax of the Group for the financial year ended 31 March 2022 would have been RM319,940,966 and RM42,546,388 respectively.



Notes to the Financial Statements

31 March 2023 (continued)

9. INVESTMENTS IN SUBSIDIARIES (continued)

- (d) The Group does not have any subsidiary that has non-controlling interests, which is individually material to the Group for both financial years ended 31 March 2023 and 31 March 2022.

10. INVESTMENT IN AN ASSOCIATE

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Quoted equity shares, at cost	77,532,835	77,532,835	35,683,093	35,683,093
Share of post-acquisition reserves	140,314,318	151,988,673	-	-
	<u>217,847,153</u>	<u>229,521,508</u>	<u>35,683,093</u>	<u>35,683,093</u>

- (a) Investment in an associate is measured at cost less impairment losses, if any, in the separate financial statements of the Company and accounted for using the equity method in the consolidated financial statements.
- (b) The associate has a financial year of 31 December, which is not coterminous with the Group. The unaudited financial statements of the associate for financial period ended 31 March 2023 have been used in applying the equity method of accounting. The use of the unaudited financial statements is not expected to have any significant effects on the consolidated financial statements of the Group.
- (c) The fair value of the investment in an associate of the Group and of the Company for disclosure purposes, which is at Level 1 of the fair value hierarchy, is RM115,624,480 (2022: RM167,655,496) and RM27,902,720 (2022: RM40,458,944) respectively.
- (d) Details of the associate are as follows:

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activity
		2023	2022	
Muda Holdings Berhad*	Malaysia	23.69%	23.69%	Investment holding

* Not audited by BDO PLT or BDO member firms

- (e) In the previous financial year, the Company had acquired additional 10,553,500 ordinary shares in Muda Holdings Berhad for a total cash consideration of RM28,865,865. Pursuant to that, the equity interest of the Group in the associate increased from 20.23% to 23.69% at the end of the financial year.



Notes to the Financial Statements

31 March 2023 (continued)

10. INVESTMENT IN AN ASSOCIATE (continued)

- (f) The following table summarises the information of the Group's material associate, adjusted for any differences in accounting policies and reconciled the information to the carrying amount of the Group's interest in the associate.

	2023 RM'000	2022 RM'000
Muda Holdings Berhad		
Summarised financial information as at 31 March:		
Non-current assets	1,173,300	1,111,168
Current assets	806,541	907,977
Non-current liabilities	(271,323)	(266,719)
Current liabilities	(726,639)	(726,036)
Non-controlling interests	(44,124)	(39,355)
Net assets	937,755	987,035
Financial period ended 31 March:		
(Loss)/Profit from continuing operations	(36,579)	57,238
Other comprehensive income	2,551	1,312
Total comprehensive (loss)/income	(34,028)	58,550
Included in the total comprehensive (loss)/income:		
Revenue	1,682,784	1,791,224
Reconciliation of net assets to carrying amount as at 31 March:		
Share of net assets of the associate	222,154	233,829
Effects arising from changes in shareholdings	(4,307)	(4,307)
Carrying amount in the consolidated statement of the financial position	217,847	229,522
Group's share of results for the financial period ended 31 March:		
Group's share of (loss)/profit from continuing operations	(8,665)	12,966
Group's share of other comprehensive income	604	321
Group's share of total comprehensive (loss)/income	(8,061)	13,287
Other information:		
Dividends received by the Group	3,613	3,265

There is no share of associate's contingent liabilities incurred jointly with other investors.



Notes to the Financial Statements 31 March 2023 (continued)

11. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Trade receivables				
Third parties	57,006,489	64,274,777	-	-
Amount owing by a related party	37,997	42,518	-	-
	57,044,486	64,317,295	-	-
Less: Impairment losses - third parties	(2,445,639)	(2,453,650)	-	-
Total trade receivables	54,598,847	61,863,645	-	-
Other receivables				
Third parties	3,939,026	3,290,844	172,483	-
Amount owing by a subsidiary	-	-	2,435,897	3,105,452
Deposits	756,095	2,299,942	-	-
	4,695,121	5,590,786	2,608,380	3,105,452
Total receivables	59,293,968	67,454,431	2,608,380	3,105,452
Prepayments	1,624,182	695,357	-	-
	60,918,150	68,149,788	2,608,380	3,105,452

- (a) Total receivables are classified as financial assets measured at amortised cost.
- (b) Trade receivables of the Group are non-interest bearing and the normal trade terms granted by the Group comprise cash term and credit terms of up to 120 days (2022: cash term and credit terms of up to 120 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.
- (c) Amount owing by a related party is unsecured, interest-free and the credit term granted by the Group on sale of goods is 90 days (2022: 90 days). The related party is a company in which a Director and his close family members collectively have controlling interests.
- (d) Amount owing by a subsidiary is unsecured, interest-free and repayable within next twelve (12) months in cash and cash equivalents.
- (e) The currency exposure profile of trade and other receivables are disclosed in Note 33(b)(iv) to the financial statements.



Notes to the Financial Statements

31 March 2023 (continued)

11. TRADE AND OTHER RECEIVABLES (continued)

- (f) Impairment for trade receivables that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the twelve (12) months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group uses an allowance matrix to measure the expected credit loss of trade receivables from their ageing. Expected loss rates are calculated by the probability of non-payment of the trade receivables multiplied by the amount of expected loss arising from default. Trade receivables have been grouped based on the common credit risk characteristics - industry and days past due.

The Group believes that the financial impacts to the forward-looking information are inconsequential for the purpose of impairment calculation of trade receivables due to their relatively short-term nature.

For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised within the statements of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectable, the gross carrying value of the asset would be written off against the associated impairment.

It requires management to exercise judgement in determining the probability of default by trade receivables and appropriate forward-looking information.

Lifetime expected loss provision for trade receivables of the Group are as follows:

Group	Gross carrying amount RM	Impairment RM	Net carrying amount RM
2023			
Current	27,599,661	(5,691)	27,593,970
Past due			
- 1 to 30 days	14,690,713	(19,044)	14,671,669
- 31 to 60 days	10,875,308	-	10,875,308
- 61 to 90 days	880,340	-	880,340
Credit impaired			
- more than 90 days	2,998,464	(2,420,904)	577,560
	<u>57,044,486</u>	<u>(2,445,639)</u>	<u>54,598,847</u>



Notes to the Financial Statements

31 March 2023 (continued)

11. TRADE AND OTHER RECEIVABLES (continued)

(f) (continued)

Lifetime expected loss provision for trade receivables of the Group are as follows (continued):

Group	Gross carrying amount RM	Impairment RM	Net carrying amount RM
2022			
Current	43,330,555	(7,713)	43,322,842
Past due			
- 1 to 30 days	14,167,778	(9,368)	14,158,410
- 31 to 60 days	3,027,385	-	3,027,385
- 61 to 90 days	720,087	-	720,087
Credit impaired			
- more than 90 days	3,071,490	(2,436,569)	634,921
	<u>64,317,295</u>	<u>(2,453,650)</u>	<u>61,863,645</u>

Trade receivables are not secured by any collateral or credit enhancement.

During the financial year, the Group did not renegotiate the terms of any trade receivables.

(g) Movements in the impairment allowance for trade receivables of the Group are as follows:

Group	Lifetime ECL allowance RM	Credit impaired RM	Total RM
Balance as at 1 April 2022	17,081	2,436,569	2,453,650
Written off	-	(78,357)	(78,357)
Charge for the financial year	8,210	544	8,754
Exchange differences	(556)	62,148	61,592
Balance as at 31 March 2023	<u>24,735</u>	<u>2,420,904</u>	<u>2,445,639</u>
Balance as at 1 April 2021	32,895	2,663,824	2,696,719
Reversal of impairment losses	(12,497)	-	(12,497)
Written off	-	(131,315)	(131,315)
Charge for the financial year	-	2,295	2,295
Exchange differences	(3,317)	(98,235)	(101,552)
Balance as at 31 March 2022	<u>17,081</u>	<u>2,436,569</u>	<u>2,453,650</u>

Credit impaired refers to individually determined debtors who have defaulted on payments and are in significant financial difficulties as at the end of the reporting period. The Group considers trade receivables with invoices which are past due for more than ninety (90) days for credit impairment.



Notes to the Financial Statements

31 March 2023 (continued)

11. TRADE AND OTHER RECEIVABLES (continued)

- (h) Impairment for other receivables and amount owing by a subsidiary is recognised based on the general approach of MFRS 9. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset by comparing the risk of default occurring over the expected life with the risk of default since initial recognition. For those in which credit risk had increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The Group defined significant increase in credit risk based on changes to contractual terms and delay in payment from other receivables and when a subsidiary's financial position deteriorates significantly.

Evidence that the other receivables and amount owing from a subsidiary are credit impaired includes the following observable data:

- (i) Significant financial difficulties of counterparties;
- (ii) The subsidiary is unlikely to repay its credit obligations to the bank in full; or
- (iii) The subsidiary is continuously loss making and is having deficit shareholders' funds.

The Group believes that the financial impacts to the forward-looking information are inconsequential for the purpose of impairment calculation of other receivables and amount owing by a subsidiary due to their relatively short-term nature.

It requires management to exercise judgement in determining the probability of default by other receivables and the subsidiary, appropriate forward-looking information and significant increase in credit risk.

No expected credit loss is recognised arising from other receivables and amount owing from a subsidiary as it is negligible.

- (i) Information on financial risks of trade and other receivables is disclosed in Note 33 to the financial statements.

12. DEFERRED TAX

	Group	
	2023 RM	2022 RM
Deferred tax assets, net	400,000	325,144
Deferred tax liabilities, net	(16,090,438)	(13,881,296)
	<u>(15,690,438)</u>	<u>(13,556,152)</u>

The amount of set-off between deferred tax assets and deferred tax liabilities was RM721,802 (2022: RM1,107,884) for the Group.



Notes to the Financial Statements

31 March 2023 (continued)

12. DEFERRED TAX (continued)

(a) Recognised deferred tax assets/(liabilities)

Deferred tax assets/(liabilities) are attributable to the following:

Group	Assets		Liabilities		Net	
	2023 RM	2022 RM	2023 RM	2022 RM	2023 RM	2022 RM
Property, plant and equipment	400,000	325,144	(15,628,425)	(14,627,660)	(15,228,425)	(14,302,516)
Right-of-use assets	-	-	(698,092)	(1,044,530)	(698,092)	(1,044,530)
Lease liabilities	721,802	1,107,884	-	-	721,802	1,107,884
Others	-	-	(485,723)	683,010	(485,723)	683,010
Deferred tax assets/(liabilities)	1,121,802	1,433,028	(16,812,240)	(14,989,180)	(15,690,438)	(13,556,152)
Set off of tax	(721,802)	(1,107,884)	721,802	1,107,884	-	-
Net deferred tax assets/(liabilities)	400,000	325,144	(16,090,438)	(13,881,296)	(15,690,438)	(13,556,152)

Deferred tax assets and liabilities are offset when the entity has a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same authority. Deferred tax assets are recognised to the extent it is probable that future taxable profits will be available against which the entities within the Group can utilise the benefits therefrom.



Notes to the Financial Statements

31 March 2023 (continued)

12. DEFERRED TAX (continued)

(b) Movement in temporary differences during the financial year

Group	Balance as at 1 April 2021 RM	Recognised in profit or loss (Note 28) RM	Acquisition of a subsidiary (Note 9(c)) RM	Exchange differences RM	Balance as at 31 March 2022/1 April 2022 RM	Recognised in profit or loss (Note 28) RM	Exchange differences RM	Balance as at 31 March 2023 RM
Property, plant and equipment	(13,154,746)	(1,626,655)	242,000	236,885	(14,302,516)	(807,099)	(118,810)	(15,228,425)
Right-of-use assets	(1,428,404)	346,438	-	37,436	(1,044,530)	326,339	20,099	(698,092)
Lease liabilities	1,625,852	(474,764)	-	(43,204)	1,107,884	(364,311)	(21,771)	721,802
Others	(125,353)	808,363	-	-	683,010	(1,168,733)	-	(485,723)
	<u>(13,082,651)</u>	<u>(946,618)</u>	<u>242,000</u>	<u>231,117</u>	<u>(13,556,152)</u>	<u>(2,013,804)</u>	<u>(120,482)</u>	<u>(15,690,438)</u>



Notes to the Financial Statements

31 March 2023 (continued)

13. INVENTORIES

	Group	
	2023 RM	2022 RM
At cost		
Raw materials	51,611,201	62,671,511
Work-in-progress	3,692,662	4,519,166
Finished goods	38,633,708	40,512,779
	93,937,571	107,703,456
At net realisable value		
Raw materials	938,591	323,132
Finished goods	2,769,373	1,389,936
	97,645,535	109,416,524

- (a) Inventories are stated at the lower of cost and net realisable value.
- (b) The cost of inventories is calculated using the first-in, first-out method and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing the inventories to their existing location and condition. In the case of work-in-progress and finished goods, cost includes an appropriate share of production overheads based on normal operating capacity.
- (c) As at the end of each reporting period, the following are the amounts recognised in cost of sales:

	Group	
	2023 RM	2022 RM
Cost of inventories	206,791,766	206,480,988
Inventories written back	(730,520)	(806,768)
Inventories written down	2,450,057	586,148

During the financial year, the Group wrote back RM730,520 (2022: RM806,768) in respect of inventories written down in the previous financial year that were subsequently not required as the Group was able to sell those inventories above their carrying amounts.

It requires management to exercise significant judgement in identifying inventories with net realisable values that are lower than their costs, with reference to the condition and ageing of inventories to ascertain the amount of inventories to be written down.



Notes to the Financial Statements

31 March 2023 (continued)

14. OTHER INVESTMENTS

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Non-current				
Quoted bond	25,047,768	-	-	-
Current				
Short-term funds	1,013,288	80,709,504	142,691	6,399,095
	<u>26,061,056</u>	<u>80,709,504</u>	<u>142,691</u>	<u>6,399,095</u>

- (a) Other investments are classified as financial assets measured at fair value through profit or loss.
- (b) Other investments are denominated in Ringgit Malaysia.
- (c) The fair value of quoted bond is determined by reference to indicative prices from an accredited bond pricing agency. Quoted bond of the Group are categorised at Level 2 in the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.
- (d) Short-term funds are mainly money market funds and bond funds, which are designated to manage free cash flows and optimise working capital so as to provide a steady stream of income returns. It is an integral part of the overall cash management.
- (e) The fair value of short term funds are determined by reference to the exchange quoted market bid prices at the close of the business at the end of each reporting period. Short-term funds of the Group and of the Company are categorised at Level 1 in the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.
- (f) Information on financial risks of other investments is disclosed in Note 33 to the financial statements.

15. CASH AND BANK BALANCES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Cash and bank balances	58,792,431	51,555,449	107,269	38,284
Deposits with licensed banks	189,269,172	82,027,034	22,214,080	4,701,845
	<u>248,061,603</u>	<u>133,582,483</u>	<u>22,321,349</u>	<u>4,740,129</u>

- (a) Cash and bank balances are classified as financial assets measured at amortised cost.
- (b) The currency exposure profile of cash and bank balances are disclosed in Note 33(b)(iv) to the financial statements.



Notes to the Financial Statements 31 March 2023 (continued)

15. CASH AND BANK BALANCES (continued)

- (c) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of each reporting period:

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Cash and bank balances	58,792,431	51,555,449	107,269	38,284
Deposits with licensed banks	189,269,172	82,027,034	22,214,080	4,701,845
	<u>248,061,603</u>	<u>133,582,483</u>	<u>22,321,349</u>	<u>4,740,129</u>
Less:				
Deposits with licensed banks with maturity of more than three (3) months	(85,050,000)	-	(17,500,000)	-
	<u>163,011,603</u>	<u>133,582,483</u>	<u>4,821,349</u>	<u>4,740,129</u>

- (d) No expected credit losses were recognised arising from deposits with licensed banks because the probability of default by these financial institutions were negligible.
- (e) Information on financial risks of cash and bank balances is disclosed in Note 33 to the financial statements.

16. SHARE CAPITAL

	Group and Company			
	2023		2022	
	Number of shares	Amount RM	Number of shares	Amount RM
Issued and fully paid-up ordinary shares with no par value				
Balance as at 1 April 2022/2021	194,759,560	202,330,568	194,759,560	202,330,568
Issuance of ordinary shares pursuant to ESOS	53,800	103,709	-	-
Balance as at 31 March	<u>194,813,360</u>	<u>202,434,277</u>	<u>194,759,560</u>	<u>202,330,568</u>

- (a) During the financial year, the issued and fully paid-up ordinary shares of the Company was increased from 194,759,560 ordinary shares to 194,813,360 ordinary shares by way of issuance of 53,800 new ordinary shares pursuant to 53,800 options exercised under ESOS at exercise price of RM1.5542 each for cash, totalling of RM83,615.

The newly issued ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.

- (b) The owners of the parent are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.



Notes to the Financial Statements

31 March 2023 (continued)

17. TREASURY SHARES

The shareholders of the Company, by a special resolution passed at an Extraordinary General Meeting held on 25 September 2001 approved the plan of the Company to purchase its own shares. At the Annual General Meeting held on 29 September 2022, the shareholders of the Company by an ordinary resolution renewed the mandate given to the Company to repurchase its own shares.

There was no movement in treasury shares of the Group and of the Company during the financial year.

As at 31 March 2023, the ordinary shares held as treasury shares were 500 units (2022: 500 units). The number of outstanding ordinary shares in issue and fully paid after deducting the treasury shares held was 194,812,860 (2022: 194,759,060). Treasury shares held have no rights to voting, dividends and other participation in other distribution.

18. RESERVES

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Non-distributable:				
Exchange translation reserve	18,474,997	16,603,364	-	-
Share options reserve	1,792,427	-	1,792,427	-
	20,267,424	16,603,364	1,792,427	-
Distributable:				
Retained earnings	525,439,569	497,659,288	81,904,151	71,819,490
	545,706,993	514,262,652	83,696,578	71,819,490

(a) Exchange translation reserve

The exchange translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the presentation currency of the Group. It is also used to record the exchange differences arising from monetary items which form part of the net investment of the Group in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

(b) Share options reserve

Share options reserve represents the effect of equity-settled share options granted to employees. This reserve comprises the cumulative value of services received from employees for the issue of share options. Whenever options are exercised, an amount from the share options reserve is transferred to share capital. Whenever the share options expire, an amount from the share options reserve is transferred to retained earnings.



Notes to the Financial Statements

31 March 2023 (continued)

19. BORROWINGS

	Group	
	2023 RM	2022 RM
Current liabilities		
Unsecured:		
Foreign currency trade loans	-	2,366,477

- (a) Borrowings were classified as financial liabilities measured at amortised cost.
- (b) The currency exposure profile of borrowings are disclosed in Note 33(b)(iv) to the financial statements.
- (c) The borrowings were secured by corporate guarantees by the Company as disclosed in Note 21 to the financial statements.
- (d) The carrying amounts of the current position of borrowings are reasonable approximation of the fair value due to insignificant impact of discounting.

Fair value of the borrowings of the Group are categorised as Level 3 in the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.

- (e) Information on financial risks of borrowings and its remaining maturity is disclosed in Note 33 to the financial statements.

20. TRADE AND OTHER PAYABLES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Trade payables				
Third parties	9,607,022	18,790,829	-	-
Amounts owing to related parties	412,784	460,746	-	-
	10,019,806	19,251,575	-	-
Other payables				
Third parties	11,232,222	9,356,413	201,551	240,679
Amounts owing to related parties	16,163	66,702	-	-
Accruals	8,514,073	8,036,915	328,442	341,220
	19,762,458	17,460,030	529,993	581,899
	29,782,264	36,711,605	529,993	581,899

- (a) Trade and other payables are classified as financial liabilities measured at amortised cost.
- (b) Trade payables (including amounts owing to related parties) are non-interest bearing and the normal trade terms granted to the Group comprise cash term and credit limit of up to 120 days (2022: cash term and credit limit of up to 120 days).



Notes to the Financial Statements

31 March 2023 (continued)

20. TRADE AND OTHER PAYABLES (continued)

- (c) The non-trade amounts owing to related parties represent advances which are unsecured, interest-free and payable within next twelve (12) months in cash and cash equivalents.
- (d) The related parties are companies related to the associate of the Group and of the Company and companies in which a Director and his close family members collectively have controlling interests.
- (e) The currency exposure profile of trade and other payables are disclosed in Note 33(b)(iv) to the financial statements.
- (f) Information on financial risks of trade and other payables is disclosed in Note 33 to the financial statements.

21. CONTINGENT LIABILITIES

Corporate guarantees - Unsecured

- (i) The Company has given corporate guarantees to certain financial institutions for banking facilities granted to its subsidiaries for a limit of RM150,542,000 (2022: RM147,602,000) of which RM106,964 (2022: RM2,749,675) were utilised at the end of the reporting period.
- (ii) The Company has given corporate guarantee of RM10,920,000 (2022: RM11,040,000) to a supplier of its subsidiary, Higher Kings Mill Limited of which RM881,770 (2022: RM1,884,978) was utilised at the end of the reporting period.

The Group designates corporate guarantees as financial liabilities as defined in MFRS 9 *Financial Instruments*. A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15 *Revenue from Contracts with Customers*.

The fair value of the financial guarantees is determined based on the present value of the different in cash flows between the contractual payments required under the debt instruments and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

The corporate guarantees have not been recognised since the fair value on initial recognition was not material.

The Company determines the probability of default of the guaranteed loans individually using internal information available. As at the end of the reporting period, the Company did not recognise any allowance for impairment loss.



Notes to the Financial Statements

31 March 2023 (continued)

22. REVENUE

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Revenue from contracts with customers:				
Sale of goods	317,487,656	322,942,715	-	-
Commission income	77,549	75,621	77,549	75,621
Management fee from subsidiaries	-	-	6,388,800	4,454,400
Other revenue:				
Dividend income from:				
- subsidiaries	-	-	12,754,550	55,582,408
- an associate	-	-	871,960	524,080
	<u>317,565,205</u>	<u>323,018,336</u>	<u>20,092,859</u>	<u>60,636,509</u>

Disaggregation of revenue from contracts with customers

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Timing of revenue recognition:				
Transferred over time	11,717,747	11,472,897	6,388,800	4,454,400
Transferred at a point in time	305,847,458	311,545,439	77,549	75,621
Revenue from contracts with customers	<u>317,565,205</u>	<u>323,018,336</u>	<u>6,466,349</u>	<u>4,530,021</u>

Disaggregation of revenue of the Group by geographical markets is disclosed in Note 4(c) to the financial statements.

(a) Sale of goods

Revenue from sale of stationery products, coloured paper, boards, consumer and food ware products is recognised at a point in time when the goods have been transferred to the customers and coincides with the delivery of goods and acceptance by customers.

Revenue from sale of made-to-order stationery products is recognised over time based on cost incurred method which is consistent with the Group's inputs to the satisfaction of a performance obligation in a customer contract. These contracts do not create assets with an alternative use to the Group. The Group has an enforceable right to payment for performance completed to date.

There is no warranty provided to the customers on the sale of goods.

There is no significant financing component in the revenue arising from sale of goods as the sales are made on the normal credit terms not exceeding twelve (12) months.



Notes to the Financial Statements

31 March 2023 (continued)

22. REVENUE (continued)

(b) Commission income

When the Group and the Company act in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission made by the Group and the Company.

(c) Dividend income

Dividend income is recognised when the right to receive payment is established.

(d) Management fee from subsidiaries

Management fee from subsidiaries are recognised over time when the subsidiaries simultaneously receive and consume the benefits.

23. OTHER INCOME

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Gain on a bargain purchase	-	1,166,683	-	-
Gain on disposal of property, plant and equipment	86,757	166,235	-	-
Gain on fair value adjustments	207,151	-	156,537	46,162
Distribution income from short-term funds	224,033	2,348,065	7,059	125,940
Interest income from:				
- bank balances	4,200,950	188,719	294,723	5,437
- other investments	254,432	450,461	-	12,876
Realised gain on foreign exchange	-	972,087	-	-
Unrealised gain on foreign exchange	3,164,723	-	138,150	-
Lease income	486,466	362,136	-	-
Miscellaneous income	346,004	1,799,414	452	-
	<u>8,970,516</u>	<u>7,453,800</u>	<u>596,921</u>	<u>190,415</u>

(a) Interest income

Interest income is recognised as it accrues, using the effective interest method.

(b) Lease income

Lease income from investment properties is recognised on a straight-line basis over the term of the lease.



Notes to the Financial Statements 31 March 2023 (continued)

24. EMPLOYEE BENEFITS

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Wages, salaries, overtime and bonuses	55,225,281	52,384,757	4,601,102	3,726,595
Contributions to defined contribution plan	3,847,284	3,719,614	548,207	448,769
Social security contributions	4,390,655	4,421,925	9,569	8,592
Share options vested under share options scheme	1,855,466	-	623,925	-
	<u>65,318,686</u>	<u>60,526,296</u>	<u>5,782,803</u>	<u>4,183,956</u>

Included in employee benefits of the Group and of the Company are Directors' remuneration amounting to RM4,269,768 (2022: RM2,944,850) and RM2,821,997 (2022: RM2,138,700) as further disclosed in Note 25 to the financial statements.

25. DIRECTORS' REMUNERATION

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Directors of the Company				
Directors' fee	343,632	312,620	313,632	285,120
Salaries and other emoluments	2,637,005	2,138,700	2,637,005	2,138,700
Share options vested under share options scheme	184,992	-	184,992	-
Estimated money value of benefits-in-kind	16,750	15,500	16,750	15,500
	<u>3,182,379</u>	<u>2,466,820</u>	<u>3,152,379</u>	<u>2,439,320</u>
Directors of the subsidiaries				
Directors' fee	44,119	40,750	-	-
Salaries and other emoluments	1,447,771	806,150	-	-
Estimated money value of benefits-in-kind	54,600	81,944	-	-
Total Directors' remuneration	<u>4,728,869</u>	<u>3,395,664</u>	<u>3,152,379</u>	<u>2,439,320</u>



Notes to the Financial Statements

31 March 2023 (continued)

26. EMPLOYEES' SHARE OPTION SCHEME ('ESOS')

At an Extraordinary General Meeting of the Company held on 4 March 2022, the shareholders of the Company approved the establishment of an ESOS up to ten percent (10%) of the issued and fully paid-up capital (excluding treasury shares) of the Company for the eligible Executive Directors and employees of the Group. The ESOS shall be in force for a period of five (5) years commencing from 8 March 2022 ('Duration of the Scheme').

The salient features of the ESOS are as follows:

- (a) The maximum number of new ordinary shares in the Company which may be available under the Scheme shall not be more than ten percent (10%) of the issued and fully paid-up share capital (excluding treasury shares) of the Company at any point in time during the duration of the ESOS and further, the following shall be complied with:
 - (i) not more than seventy percent (70%) of the ESOS Options shall be allocated, in aggregate, to the eligible Executive Directors and senior management of the Group; and
 - (ii) not more than ten percent (10%) of the total number of shares to be issued under ESOS shall be allocated to any eligible person who, either singly or collectively through persons connected with him/her, holds twenty percent (20%) or more of the issued and fully paid-up ordinary share capital of the Company.
- (b) Eligible persons are employees and Executive Directors, who have been confirmed in the employment of the Group and of the Company and have been in the employment of the Group and of the Company on a full time basis for at least six (6) months and have attained eighteen (18) years of age or above as at the date of offer.
- (c) The ESOS shall be in force for a period of five (5) years, commencing from 8 March 2022, subject to a further extension of five (5) years as the Board of Directors may determine.
- (d) The option price shall be determined by the Board of Directors upon recommendation of the ESOS committee at a discount of not more than ten percent (10%) from the volume weighted average market price of the ordinary shares of the Company as quoted by Bursa Malaysia Securities Berhad for the five (5) market days immediately preceding the date of the offer.
- (e) The options granted are exercisable on a time proportion basis over the duration of the ESOS. The employee's entitlement to the options is vested as soon as they become exercisable.
- (f) The options granted are not entitled to dividends, rights, allotments or any other form of distributions unless the eligible persons become the shareholder of the Company by exercising the ESOS options.



Notes to the Financial Statements 31 March 2023 (continued)

26. EMPLOYEES' SHARE OPTION SCHEME ('ESOS') (continued)

The details of the options over ordinary shares of the Company are as follows:

Date of offer	[..... Number of options over ordinary shares]				Balance as at 31.3.2023 [^]	Exercisable as at 31.03.2023
	Balance as at 1.4.2022	Granted	Exercised	Forfeited*		
24 June 2022	-	11,033,000	(53,800)	(283,200)	10,696,000	1,578,050
Exercise price (RM)						1.5542

* Due to resignation

[^] Exercisable by the grantee upon achieving the vesting conditions set by the ESOS Committee and are subject to the allotment of shares between 15% to 30% per year over vesting period of five (5) years.

Fair value of share options granted during the financial year was estimated by using the Black-Scholes-Merton option pricing model, taking into account the terms and conditions upon which the options were granted. Fair value of share options measured at grant date and the assumptions used were as follows:

	24 June 2022
Fair value of share options (RM)	0.3735
Weighted average share price (RM)	1.7400
Weighted average exercise price (RM)	1.5542
Expected volatility (%)	26.04
Expected life (years)	4.70
Risk free rate (%)	3.70
Expected dividend yield (%)	5.40

27. FINANCE COSTS

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Interest expense on:				
- cash and bank balances	37,120	68,555	-	691
- foreign currency trade loans	39,525	102,807	-	-
- lease liabilities	147,729	194,485	-	-
	<u>224,374</u>	<u>365,847</u>	<u>-</u>	<u>691</u>



Notes to the Financial Statements 31 March 2023 (continued)

28. TAXATION

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Current taxation based on profit for the financial year	10,381,327	7,511,750	295,000	-
(Over)/Underprovision of tax expense in prior years	(287,426)	(337,442)	6,439	(1,824)
	10,093,901	7,174,308	301,439	(1,824)
Deferred taxation (Note 12):				
- relating to origination and reversal of temporary differences	1,878,804	894,618	-	-
- underprovision of deferred tax in prior years	135,000	52,000	-	-
	2,013,804	946,618	-	-
Taxation for the financial year	12,107,705	8,120,926	301,439	(1,824)

- (a) Malaysian income tax is calculated at the statutory tax rate of 24% (2022: 24%) of the estimated taxable profit for the fiscal year.
- (b) Taxation for other taxation authorities are calculated at the rates prevailing in those respective jurisdictions.
- (c) The numerical reconciliation between the taxation and the product of accounting profit multiplied by the applicable tax rates of the Group and of the Company are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Profit before tax	43,819,448	51,493,396	14,238,846	55,806,187
Share of results of equity-accounted associate, net of tax	8,665,411	(12,965,926)	-	-
	52,484,859	38,527,470	14,238,846	55,806,187
Tax at the applicable tax rate of 24% (2022: 24%)	12,596,366	9,246,593	3,417,323	13,393,485
Tax effects in respect of:				
- different tax rates in foreign jurisdictions	40,620	127,067	-	-
- expenses not deductible for tax purpose	771,775	1,009,993	218,765	111,093
- income not subject to tax	(705,033)	(1,485,932)	(3,341,088)	(13,504,578)
Tax incentives and allowances	(443,597)	(491,353)	-	-
(Over)/Underprovision in prior years				
- income tax	(287,426)	(337,442)	6,439	(1,824)
- deferred tax	135,000	52,000	-	-
	12,107,705	8,120,926	301,439	(1,824)



Notes to the Financial Statements

31 March 2023 (continued)

28. TAXATION (continued)

(d) Tax on each component of other comprehensive income is as follows:

Group	Before tax	Tax effect	After tax
2023	RM	RM	RM
Item that may be reclassified subsequently to profit or loss			
Foreign currency translations	1,263,451	-	1,263,451
Item that will not be reclassified subsequently to profit or loss			
Share of other comprehensive income of equity-accounted associate	604,321	-	604,321
2022			
Item that may be reclassified subsequently to profit or loss			
Foreign currency translations	(3,892,550)	-	(3,892,550)
Item that will not be reclassified subsequently to profit or loss			
Share of other comprehensive income of equity-accounted associate	320,668	-	320,668

29. EARNINGS PER ORDINARY SHARE

(a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year, excluding treasury shares held by the Company.

	Group	
	2023	2022
Profit for the financial year attributable to equity holders of the parent (RM)	31,633,027	43,400,460
Weighted average number of ordinary shares in issue (unit)	194,759,560	194,759,560
Effects of:		
- treasury shares held (unit)	(500)	(500)
- exercise of ESOS (unit)	23,944	-
Adjusted weighted average number of ordinary shares applicable to basic earnings per ordinary share (unit)	194,783,004	194,759,060
Basic earnings per ordinary share (sen)	16.24	22.28



Notes to the Financial Statements

31 March 2023 (continued)

29. EARNINGS PER ORDINARY SHARE (continued)

(b) Diluted

Diluted earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares.

	Group	
	2023	2022
Profit for the financial year attributable to equity holders of the parent (RM)	31,633,027	43,400,460
Weighted average number of ordinary shares in issue applicable to basic earnings per ordinary share (unit)	194,783,004	194,759,060
Effect of dilution due to ESOS (unit)	1,568,355	-
Adjusted weighted average number of ordinary shares applicable to diluted earnings per ordinary share (unit)	196,351,359	194,759,060
Diluted earnings per ordinary share (sen)	16.11	22.28

30. DIVIDENDS

	Group and Company			
	2023		2022	
	Dividend per share sen	Amount of dividend RM	Dividend per share sen	Amount of dividend RM
In respect of financial year ended 31 March 2021: Single tier final dividend	-	-	1.50	2,921,386
In respect of financial year ended 31 March 2022: Single tier final dividend	2.00	3,895,691	-	-
	2.00	3,895,691	1.50	2,921,386

The Directors recommend a single tier final dividend of 3.50 sen per ordinary share, amounting to RM6,793,705 based on the number of ordinary shares in issue as at the date of this report, in respect of the financial year ended 31 March 2023, subject to the approval of members at the forthcoming Annual General Meeting.

The financial statements for the financial year ended 31 March 2023 do not reflect this proposed dividend. Such dividend, if approved by shareholders, will be accounted for as an appropriation of retained earnings in the financial year ending 31 March 2024.



Notes to the Financial Statements

31 March 2023 (continued)

31. CAPITAL COMMITMENT

	Group	
	2023 RM	2022 RM
Capital expenditure in respect of purchase of property, plant and equipment:		
Contracted but not provided for	1,494,681	1,434,743

32. RELATED PARTY DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties could be individuals or other entities.

Related parties of the Group include:

- (i) An associate as disclosed in Note 10 to the financial statements and its subsidiaries, namely Federal Packages Sdn. Bhd. and Muda Paper Mills Sdn. Bhd.;
- (ii) Direct and indirect subsidiaries as disclosed in Note 9 to the financial statements;
- (iii) Companies in which a Director, Dato' Lim Soon Huat and his close family members collectively have controlling interests - Asia Educational Supplies Sdn. Bhd., Dynamic Office Sdn. Bhd. and Dynamic Consulting & Engineering Sdn. Bhd.;
- (iv) Company in which a Director of a subsidiary, Mr. Rodney Christopher Martin, has substantial financial interest - Christopher Martin Ltd.; and
- (v) Key management personnel are defined as those persons having the authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Company and certain Directors of the subsidiaries.



Notes to the Financial Statements

31 March 2023 (continued)

32. RELATED PARTY DISCLOSURES (continued)

(b) Significant related parties transactions

In addition to the transactions and balances detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group	
	2023 RM	2022 RM
Related parties		
Purchases:		
- Asia Educational Supplies Sdn. Bhd.	42,443	43,831
- Dynamic Consulting & Engineering Sdn. Bhd.	25,709	235,621
- Dynamic Office Sdn. Bhd.	78,290	83,345
- Federal Packages Sdn. Bhd.	1,386,906	1,727,010
- Muda Paper Mills Sdn. Bhd.	32,065	129,646
Sales:		
- Asia Educational Supplies Sdn. Bhd.	96,178	67,014
Consultancy fee paid to a Company in which a Director of a subsidiary has a substantial financial interest	133,621	108,972
Lease payment to a Director of a subsidiary	8,400	9,600
	871,960	524,080
	Company	
	2023 RM	2022 RM
An associate		
Dividend income	871,960	524,080
Subsidiaries		
Dividend income	12,754,550	55,582,408
Management fee received	6,388,800	4,454,400

The related party transactions described above were undertaken on mutually agreed and negotiated terms.

(c) Compensation of key management personnel

The key management personnel comprise the Directors of the Group and their remuneration during the financial year are as disclosed in Note 25 to the financial statements.



Notes to the Financial Statements

31 March 2023 (continued)

33. CAPITAL AND FINANCIAL RISK MANAGEMENT

(a) Capital management

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the ability of the Group to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Group manages its capital structure and makes adjustments to it in response to changes in economic conditions. In order to maintain the optimal capital structure, the Group may adjust the dividend payouts to shareholders, repurchase its own shares or issue new shares, where necessary. There were no changes in the Group's approach to capital management during the financial year.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, borrowings, lease liabilities, trade and other payables, cash and bank balances and short-term funds. Capital includes equity attributable to owners of the parent.

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Short-term funds	1,013,288	80,709,504	142,691	6,399,095
Cash and bank balances	248,061,603	133,582,483	22,321,349	4,740,129
Less: Borrowings	-	(2,366,477)	-	-
Lease liabilities	(3,114,474)	(4,999,381)	-	-
Trade and other payables	(29,782,264)	(36,711,605)	(529,993)	(581,899)
Net cash	<u>216,178,153</u>	<u>170,214,524</u>	<u>21,934,047</u>	<u>10,557,325</u>
Total capital	748,139,139	716,591,089	286,128,724	274,147,927
Net cash	<u>(216,178,153)</u>	<u>(170,214,524)</u>	<u>(21,934,047)</u>	<u>(10,557,325)</u>
	<u>531,960,986</u>	<u>546,376,565</u>	<u>264,194,677</u>	<u>263,590,602</u>

Gearing ratio * * * *

* No gearing ratio is presented as the Group and the Company are in net cash position.

Pursuant to the requirements of Practice Note No. 17/2005 of the Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity of more than twenty-five percent (25%) of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40,000,000. The Company has complied with this requirement for the financial year ended 31 March 2023.

The Group is not subject to any other externally imposed capital requirements.



Notes to the Financial Statements

31 March 2023 (continued)

33. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

(b) Financial risk management

The financial risk management objective of the Group is to optimise value creation for shareholders whilst minimising the potential adverse impact arising from fluctuations in foreign currency exchange and interest rates and the unpredictability of the financial markets.

The Group operates within an established risk management framework and clearly defined guidelines that are regularly reviewed by the Board of Directors and does not trade in derivative financial instruments. Financial risk management is carried out through risk review programmes, internal control systems, insurance programmes and adherence to the Group financial risk management policies.

The Group is exposed mainly to credit risk, liquidity and cash flow risk, interest rate risk and foreign currency risk. Information on the management of the related exposures is detailed below.

(i) Credit risk

The Group's exposure to credit risk arises principally from the individual characteristics of each trade receivable made on credit term, other investments and deposits with licensed banks, which requires the loss to be recognised if a counter party fails to perform as contracted. The Group controls the credit risk on sales by ensuring that its customers have sound financial position and credit history. The Group also seeks to invest cash assets safely and profitably with approved financial institutions in line with the policy of the Group.

The Company's primary exposure is through the amount owing by a subsidiary.

Exposure to credit risk

At the end of the reporting period, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables are required to pay within the credit terms granted. Information about the credit terms, lifetime expected credit losses and past due ageing is disclosed in Note 11 to the financial statements.



Notes to the Financial Statements

31 March 2023 (continued)

33. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Credit risk concentration profile

The Group determines concentration of credit risk by monitoring the country profiles of its trade receivables on an ongoing basis. The credit risk concentration profile of the trade receivables of the Group at the end of the reporting period are as follows:

	Group		Group	
	2023		2022	
	RM	% of total	RM	% of total
By country:				
Malaysia	17,827,241	33%	20,179,779	33%
Asia (excluding Malaysia)	155,330	*	112,005	*
Europe	34,951,982	64%	36,796,963	59%
America	880,327	2%	2,250,135	4%
Others	783,967	1%	2,524,763	4%
	<u>54,598,847</u>	<u>100%</u>	<u>61,863,645</u>	<u>100%</u>

* Less than 1%

At the end of the reporting period, approximately 26% (2022: 24%) of the trade receivables of the Group were due from one (1) (2022: one (1)) major customer who is located in Europe (2022: Europe).

(ii) Liquidity and cash flow risk

Liquidity and cash flow risks is the risk that the Group and the Company will not be able to meet their financial obligations as they fall due. The exposure of the Group and of the Company to liquidity risk arises principally from their various payables, borrowings and lease liabilities.

The Group and the Company actively manage their debt maturity profile, operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. In liquidity risk management strategy, the Group and the Company maintain a level of cash and cash equivalents and banking facilities deemed adequate by the management to finance the Group's and the Company's operations to mitigate any adverse effects of fluctuations in cash flows.



Notes to the Financial Statements 31 March 2023 (continued)

33. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

(b) Financial risk management (continued)

(ii) Liquidity and cash flow risk (continued)

The table below summarises the maturity profile of the Group's and the Company's liabilities at the end of each reporting period based on contractual undiscounted repayment obligations.

	On demand or within one (1) year RM	One (1) to five (5) years RM	Total RM
2023			
Group			
Financial liabilities			
Trade and other payables	29,782,264	-	29,782,264
Lease liabilities	1,403,530	1,861,469	3,264,999
Total undiscounted financial liabilities	<u>31,185,794</u>	<u>1,861,469</u>	<u>33,047,263</u>
Company			
Financial liabilities			
Trade and other payables	529,993	-	529,993
Corporate guarantees*	988,734	-	988,734
Total undiscounted financial liabilities	<u>1,518,727</u>	<u>-</u>	<u>1,518,727</u>
2022			
Group			
Financial liabilities			
Trade and other payables	36,711,605	-	36,711,605
Borrowings	2,369,257	-	2,369,257
Lease liabilities	1,579,099	3,725,027	5,304,126
Total undiscounted financial liabilities	<u>40,659,961</u>	<u>3,725,027</u>	<u>44,384,988</u>
Company			
Financial liabilities			
Trade and other payables	581,899	-	581,899
Corporate guarantees*	4,634,653	-	4,634,653
Total undiscounted financial liabilities	<u>5,216,552</u>	<u>-</u>	<u>5,216,552</u>

* The disclosure represents the maximum amount that is required to be settled in the event of a default and the lenders or creditors, where applicable, call on the Company to pay for the subsidiaries.



Notes to the Financial Statements

31 March 2023 (continued)

33. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

(b) Financial risk management (continued)

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments of the Group and of the Company will fluctuate because of changes in market interest rates.

The Group's and the Company's income and operating cash flows are substantially independent of changes in market interest rates. The exposure to market risk of the Group and of the Company for changes in interest rates relates primarily to the borrowings, lease liabilities and deposits placed with licensed banks.

Sensitivity analysis for interest rate risk

The net exposure to interest rate risk of the Group and of the Company is kept at a minimum level as the interest-bearing financial assets and financial liabilities are mainly with fixed rates and the financial instruments are short-term in nature, hence any fluctuation in the interest rates will not have any significant impact to the financial statements of the Group and of the Company.

The following table set out the carrying amounts, the effective interest rates and incremental borrowing rates as at the end of the reporting period and the remaining maturities of the Group's financial instruments that are exposed to interest rate risk:

Group	Effective interest rates/ Incremental borrowing rates %	Within one (1) year RM	One (1) to five (5) years RM	Total RM
Fixed rates				
2023				
Lease liabilities	3.05 - 5.68	(1,290,337)	(1,824,137)	(3,114,474)
Deposits with licensed banks	2.40 - 4.50	189,269,172	-	189,269,172
2022				
Borrowings	0.87 - 1.52	(2,366,477)	-	(2,366,477)
Lease liabilities	3.05 - 5.68	(1,426,237)	(3,573,144)	(4,999,381)
Deposits with licensed banks	0.30 - 2.42	82,027,034	-	82,027,034



Notes to the Financial Statements

31 March 2023 (continued)

33. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

(b) Financial risk management (continued)

(iii) Interest rate risk (continued)

The following table set out the carrying amounts, the effective interest rates and incremental borrowing rates as at the end of the reporting period and the remaining maturities of the Group's financial instruments that are exposed to interest rate risk (continued):

Company	Effective interest rates/ Incremental borrowing rates %	Within one (1) year RM	One (1) to five (5) years RM	Total RM
Fixed rates				
2023				
Deposits with licensed banks	4.00 - 4.50	22,214,080	-	22,214,080
2022				
Deposits with licensed banks	0.58	4,701,845	-	4,701,845

(iv) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument would fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Company and its subsidiaries.

The Group uses forward exchange contracts to hedge its foreign currency risk. However, there was no foreign currency forward exchange contract outstanding as at 31 March 2023 and 31 March 2022.

The net financial assets and liabilities of the Group and of the Company that are not denominated in their functional currencies are as follows:

	Denominated in		
	EUR	GBP	USD
2023			
Group			
Trade and other receivables	1,887,091	1,081,469	2,247,115
Cash and bank balances	27,487,193	84,736,704	302,083
Trade and other payables	(181,033)	-	(1,065,692)
Net currency exposure	29,193,251	85,818,173	1,483,506



Notes to the Financial Statements 31 March 2023 (continued)

33. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

(b) Financial risk management (continued)

(iv) Foreign currency risk (continued)

The net financial assets and liabilities of the Group and of the Company that are not denominated in their functional currencies are as follows (continued):

	EUR	Denominated in GBP	USD
2023			
Company			
Cash and bank balances	-	4,714,372	-
2022			
Group			
Trade and other receivables	1,947,179	451,987	5,251,682
Cash and bank balances	14,878,471	37,834,354	7,316,680
Trade and other payables	(74,185)	(23,100)	(2,291,059)
Borrowings	-	-	(2,366,477)
Net currency exposure	16,751,465	38,263,241	7,910,826
Company			
Cash and bank balances	5	4,702,143	-

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity analysis of profit after tax of the Group and of the Company to reasonably possible change in the EUR, GBP and USD exchange rates against the functional currency of the Group and of the Company, with all other variables held constant.

		Effect on profit after tax Increase/(Decrease)	
		2023	2022
Group		RM	RM
EUR/RM	- strengthened by 10% (2022: 10%)	2,218,687	1,273,111
	- weakened by 10% (2022: 10%)	(2,218,687)	(1,273,111)
GBP/RM	- strengthened by 10% (2022: 10%)	6,522,181	2,908,006
	- weakened by 10% (2022: 10%)	(6,522,181)	(2,908,006)
USD/RM	- strengthened by 10% (2022: 10%)	112,746	601,223
	- weakened by 10% (2022: 10%)	(112,746)	(601,223)



Notes to the Financial Statements

31 March 2023 (continued)

33. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

(b) Financial risk management (continued)

(iv) Foreign currency risk (continued)

Sensitivity analysis for foreign currency risk (continued)

		Effect on equity	
		Increase/(Decrease)	
Group		2023	2022
		RM	RM
EUR/RM	- strengthened by 10% (2022: 10%)	779,683	656,755
	- weakened by 10% (2022: 10%)	(779,683)	(656,755)
		<hr/>	<hr/>
GBP/RM	- strengthened by 10% (2022: 10%)	265,573	291,694
	- weakened by 10% (2022: 10%)	(265,573)	(291,694)
		<hr/>	<hr/>
		Effect on profit after tax	
		Increase/(Decrease)	
Company		2023	2022
		RM	RM
EUR/RM	- strengthened by 10% (2022: 10%)	-	*
	- weakened by 10% (2022: 10%)	-	*
		<hr/>	<hr/>
GBP/RM	- strengthened by 10% (2022: 10%)	358,292	357,363
	- weakened by 10% (2022: 10%)	(358,292)	(357,363)
		<hr/>	<hr/>

* Less than RM1

Sensitivity analysis of other currencies are not disclosed as the fluctuation of those foreign exchange rates against the functional currency of the Group and of the Company are not significant.



Notes to the Financial Statements

31 March 2023 (continued)

34. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

34.1 New MFRSs adopted during the financial year

The Group and the Company adopted the following Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ('MASB') during the financial year:

Title	Effective Date
<i>Annual Improvements to MFRS Standards 2018–2020</i>	1 January 2022
<i>Amendments to MFRS 3 Reference to the Conceptual Framework</i>	1 January 2022
<i>Amendments to MFRS 116 Property, Plant and Equipment - Proceeds before Intended Use</i>	1 January 2022
<i>Amendments to MFRS 137 Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022
<i>Amendments to MFRS 112 International Tax Reform - Pillar Two Model Rules</i>	See MFRS 112 paragraph 98M (early adopted)

Adoption of the above Standards did not have any material effect on the financial performance or position of the Group and of the Company.

34.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2023

Title	Effective Date
<i>MFRS 17 Insurance Contracts</i>	1 January 2023
<i>Amendments to MFRS 17 Insurance Contracts</i>	1 January 2023
<i>Amendment to MFRS 17 Initial Application of MFRS 17 and MFRS 9 - Comparative Information</i>	1 January 2023
<i>Amendments to MFRS 101 Disclosure of Accounting Policies</i>	1 January 2023
<i>Amendments to MFRS 108 Definition of Accounting Estimates</i>	1 January 2023
<i>Amendments to MFRS 112 Deferred tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
<i>Amendments to MFRS 16 Lease Liability in a Sale and Leaseback</i>	1 January 2024
<i>Amendments to MFRS 101 Classification of Liabilities as Current or Non-current</i>	1 January 2024
<i>Amendments to MFRS 101 Non-current Liabilities with Covenants</i>	1 January 2024
<i>Amendments to MFRS 107 and MFRS 7 Supplier Finance Arrangements</i>	1 January 2024
<i>Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group and the Company are in the process of assessing the impact of implementing these Standards and Amendments to the Standards, since the effects would only be observable for the future financial years.



Notes to the Financial Statements

31 March 2023 (continued)

35. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD

- (a) On 24 June 2022, the Company offered and granted 11,033,000 units of ESOS options to eligible Executive Directors and employees of the Group and of the Company with an exercise price of RM1.5542 per share.

During the financial year, 53,800 shares options were exercised at an exercise price of RM1.5542.

- (b) Subsequent to the end of the reporting period, the Company repurchased 707,000 of its issued ordinary shares from the open market of Bursa Malaysia Securities on average price of RM1.71 per share.





List of Properties

LOCATION	DESCRIPTION	LAND AREA (sq.meters)	TENURE	AGE (years)	NET BOOK VALUE (RM'000)	DATE OF REVALUATION/ ACQUISITION (*)
01) No 81 & 81A Jalan Sungai Pinang Lots P1473-1476, Section 9-W, Georgetown Daerah Timur-Laut Penang	Factory cum warehouse	2,443	Freehold	32	5,824	June 1994
02) P.T. No 1870 (Plot 16) Hilir Sungai Keluang 2 Bayan Lepas Industrial Estate (Phase IV) Mukim 12 Daerah Barat Daya Penang	Office, Factory cum warehouse	12,230	60-year lease expiring on 09-09-2051	28	7,456	June 1994 (Land) June 1995 (*) (First Building) March 2000 (*) (Second Building)
03) No 5, Lorong Perindustrian Bukit Minyak 3 Taman Perindustrian Bukit Minyak, 14100 Bukit Mertajam, Penang	Rented	1,761	60-year lease expiring on 10-10-2055	28	710	April 2000 (*)
04) No 7, Lorong Perindustrian Bukit Minyak 3 Taman Perindustrian Bukit Minyak, 14100 Bukit Mertajam, Penang	Rented	1,761	60-year lease expiring on 10-10-2055	28	650	April 2000 (*)
05) Lot 1310, Mukim 14, Daerah Seberang Prai Tengah, Penang	Office, Factory cum warehouse	27,689	Freehold	32	10,045	March 2004 (*)
06) PT 43263, H.S.(D) 128696 Mukim Petaling, Daerah Petaling, Selangor	Office, Factory cum warehouse	2,023	Freehold	17	2,146	April 2004 (*)
07) Kasseler Landstraße 12 D-37213 Witzhausen Germany	Office, Factory cum warehouse	11,983	Freehold	50	4,468	January 2008 (*)
08) Zur Furthmühle 4 D-37318 Kirchgandern Germany	Office, Factory cum warehouse	21,840	Freehold	32	7,595	January 2008 (*) March 2009 (*) (Additional Warehouse)
09) Cullompton, Devon EX 15 1Q3 United Kingdom	Office, Factory cum warehouse	52,609	Freehold	-	4,865	September 2011 (*) March 2013 (*) (Additional Warehouse)



List of Properties (continued)

LOCATION	DESCRIPTION	LAND AREA (sq.meters)	TENURE	AGE (years)	NET BOOK VALUE (RM'000)	DATE OF REVALUATION/ ACQUISITION (*)
10) Ashton Road Denton, Manchester M34 3LR United Kingdom	Office, Factory cum warehouse	18,000	Freehold	-	2,941	April 2012 (*)
11) Lot 1309, Mukim 14, Daerah Seberang Prai Tengah, Penang	Office, Factory cum warehouse	30,495	Freehold	32	10,027	December 2012 (*) (Land) March 2014 (First Building) March 2021 (Second Building)
12) 2A, 6 & 8, Lorong Industri Ringan Permatang Tinggi 14, Taman Industri Ringan Permatang Tinggi, Penang	Office, Factory cum warehouse	2,319	Freehold	6	5,890	September 2017 (*)
13) Lot PT 17611, Bandar of Sungai Petani, District of Kuala Mudah, Kedah Darul Aman	Rented	4,286	Freehold	34	2,453	December 2021
14) H.S (D) 10271, PT 66400, Bandar of Sungai Petani, District of Kuala Mudah, Kedah Darul Aman H.S (D) 10272, PT 66401, Bandar of Sungai Petani, District of Kuala Mudah, Kedah Darul Aman H.S (D) 10277, PT 66406, Bandar of Sungai Petani, District of Kuala Mudah, Kedah Darul Aman H.S (D) 10278, PT 66407, Bandar of Sungai Petani, District of Kuala Mudah, Kedah Darul Aman	Office, Factory cum warehouse	17,512	60-year lease expiring on 04-04-2055	22	11,249	December 2021



Shareholdings Statistics

As at 30 June 2023

ISSUED SHARE CAPITAL	:	RM194,813,360 (<i>inclusive of 707,500 treasury shares</i>)
CLASS OF SHARES	:	Ordinary shares
VOTING RIGHTS	:	One vote per ordinary share held

Breakdown of shareholdings

Size of Shareholdings	No. of Shareholders	No. of Shares	% of Issued and Paid-Up Share Capital
Less than 100	80	3,264	0.0016
100 to 1,000	316	227,539	0.1168
1,001 to 10,000	1,268	5,958,479	3.0586
10,001 to 100,000	531	15,857,554	8.1399
100,001 to 9,740,667	86	51,368,973	26.3683
9,740,668 to 194,813,360	2	121,397,551	62.3148
TOTAL	2,283	194,813,360	100.0000



Shareholdings Statistics

As at 30 June 2023 (continued)

THIRTY LARGEST DEPOSITORS AS AT 30 JUNE 2023

	NAME	NO. OF SHARES	% OF ISSUED CAPITAL
1	PRESTIGE ELEGANCE (M) SDN BHD	83,738,951	42.9842
2	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM BUMIPUTERA	37,658,600	19.3306
3	LIM SOON HUAT	5,795,455	2.9749
4	LIM SIEW LEE	4,122,560	2.1162
5	LIM SOON HEE	4,117,996	2.1138
6	TEOH CHIN CHIA	3,303,600	1.6958
7	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 1)	3,109,840	1.5963
8	KHOO SAW SIM	2,588,672	1.3288
9	LIM SOON WAH	2,138,870	1.0979
10	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG YEE HUI (KLC/KEN)	1,800,000	0.9240
11	CHEAH SOK IN	1,695,300	0.8702
12	GOH PHAIK NGOH	1,333,772	0.6846
13	CARTABAN NOMINEES (ASING) SDN BHD SSBT FUND F9LJ FOR FIDELITY GLOBAL INTRINSIC VALUE INVESTMENT TRUST	1,317,700	0.6764
14	BEH PHAIK HOOI	978,928	0.5025
15	FOO NIAN CHOU	835,584	0.4289
16	TEO KWEE HOCK	734,900	0.3772
17	CIMB GROUP NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR DBS BANK LTD (SFS)	730,400	0.3749
18	ASIA FILE CORPORATION BHD SHARE BUY BACK ACCOUNT	707,500	0.3632
19	UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	540,200	0.2773
20	KHOW CHEAH YONG	500,000	0.2567
21	LIM SOON WAH	500,000	0.2567
22	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM SOON WAH	500,000	0.2567



Shareholdings Statistics As at 30 June 2023 (continued)

THIRTY LARGEST DEPOSITORS AS AT 30 JUNE 2023 (continued)

	NAME	NO. OF SHARES	% OF ISSUED CAPITAL
23	SUSY DING	423,800	0.2175
24	OH PHAIK WEE	418,080	0.2146
25	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KONG TIAM (CCTS)	380,000	0.1951
26	GOH YU TIAN	352,100	0.1807
27	GOLDEN FRESH SDN BHD	350,000	0.1797
28	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR OH HAW KUANG (PENANG-CL)	349,692	0.1795
29	LUCY KHOO	334,360	0.1716
30	LIM PEI TIAM @ LIAM AHAT KIAT	333,000	0.1709
		161,689,860	82.9974



Analysis of Shareholdings As at 30 June 2023

SUBSTANTIAL SHAREHOLDERS

No.	Name	<---- Direct Interest ----->		<---- Indirect Interest ----->	
		No. of Shares	% of total issued capital ^(a)	No. of Shares	% of total issued capital ^(a)
1.	Datin Khoo Saw Sim	2,588,672	1.334	83,738,951 ^(b)	43.141
2.	Dato' Lim Soon Huat	5,795,455	2.986	83,738,951 ^(b)	43.141
3.	Prestige Elegance (M) Sdn Bhd	83,738,951	43.141	-	-
4.	AmanahRaya Trustees Berhad - Amanah Saham Bumiputra	37,658,600	19.401	-	-

(a) This excluded treasury shares.

(b) Deemed interest via Prestige Elegance (M) Sdn Bhd pursuant to Section 8(4) of the Companies Act 2016.

DIRECTORS' SHAREHOLDINGS

No.	Name	<---- Direct Interest ----->		<---- Indirect Interest ----->	
		No. of Shares	% of total issued capital ^(a)	No. of Shares	% of total issued capital ^(a)
1.	Dato' Lim Soon Huat	5,795,455	2.986	88,116,911 ^(b)	45.396
2.	Lam Voon Kean	-	-	-	-
3.	Ng Chin Nam ^(c)	-	-	-	-
4.	Chua Hooi Luan	-	-	-	-
5.	Lee Thean Yew ^(c)	-	-	-	-

(a) This excluded treasury shares.

(b) Deemed interest via Prestige Elegance (M) Sdn Bhd pursuant to Section 8(4) of the Companies Act, 2016 and interest of spouse and children pursuant to Section 59 (11)(c) of the Companies Act, 2016.

(c) Mr. Lee Thean Yew was appointed as Independent Non-Executive Director on 30 June 2023 in place of Mr. Ng Chin Nam who retired as Independent Non-Executive Director on the same date.

Note:

By virtue of his deemed interest in the Company, Dato' Lim Soon Huat is deemed to have interest in the shares of the subsidiaries to the extent the Company has an interest.



Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twenty-Ninth (29th) Annual General Meeting (“AGM”) of shareholders of **ASIA FILE CORPORATION BHD.** (“AFC” or “the Company”) will be held at Olive 4 & 5, Level 6, Olive Tree Hotel, 76, Jalan Mahsuri, 11950 Bayan Lepas, Penang on Friday, 29 September 2023 at 10.00 am, or at any adjournment thereof, for the following purposes:

Agenda

As Ordinary Business:

1. To receive the Audited Financial Statements for the financial year ended 31 March 2023 and the Reports of Directors and Auditors thereon.
2. To re-elect Madam Lam Voon Kean, the Director who retire pursuant to Clause 88 of the Company’s Constitution and who, being eligible offer herself for re-election. Ordinary Resolution 1
3. To re-elect Mr. Lee Thean Yew, the Director who retire pursuant to Clause 95 of the Company’s Constitution and who, being eligible offer himself for re-election. Ordinary Resolution 2
4. To approve the payment of Directors’ fee and benefits payable up to RM600,000 for the period commencing one day after this AGM through to the next AGM of the Company in year 2024. Ordinary Resolution 3
5. To approve a final single tier dividend of 3.5 sen per ordinary share for the financial year ended 31 March 2023. Ordinary Resolution 4
6. To re-appoint BDO PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. Ordinary Resolution 5

As Special Business:

To consider, and if thought fit, to pass the following Ordinary Resolutions, with or without modification:

7. **WAIVER OF PRE-EMPTIVE RIGHTS UNDER SECTION 85 OF THE COMPANIES ACT 2016** Ordinary Resolution 6

“THAT pursuant to Section 85 of the Companies Act 2016 read together with Clause 56 of the Constitution of the Company, the shareholders of the Company do hereby waive their pre-emptive rights over (a) all new shares in the Company, (b) all options offered or to be offered pursuant to the Company’s Employees Share Option Scheme and (c) any offers, agreements, rights, options or other convertible securities of whatever kind in respect of any new shares in the Company AND THAT such new shares when issued, shall rank pari passu equally to the existing issued shares of the Company.”

8. **AUTHORITY TO ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016** Ordinary Resolution 7

“THAT, subject always to the Companies Act 2016 (“Act”) (as may be amended, modified or re-enacted from time to time), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the approvals of the relevant governmental or regulatory authorities, where such approval is required, the Directors be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act to issue and allot shares in the Company to such persons, at any time until the conclusion of the next Annual General Meeting (“AGM”) and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being.



Notice of Annual General Meeting (continued)

THAT, the Directors are also empowered to obtain the approval from the Bursa Securities for the listing and quotation for the additional shares to be issued AND THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company.

AND THAT, the new shares to be issued shall, upon allotment and issuance, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new shares."

9. **PROPOSED RENEWAL OF AUTHORITY TO BUY BACK ITS OWN SHARES BY THE COMPANY** Ordinary Resolution 8

"THAT subject to the Companies Act 2016 ("Act") (as may be amended, modified or re-enacted from time to time), the Company's Constitution, the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and approvals of all relevant governmental and/or regulatory authorities, where applicable, the Directors of the Company be and are hereby authorised to purchase its own shares through Bursa Securities, subject to the following: -

- (i) The maximum number of ordinary shares which may be purchased and/or held by the Company shall be ten per centum (10%) of the total number of issued shares of the Company for the time being ("Asia File Shares");
- (ii) The maximum fund to be allocated by the Company for the purpose of purchasing Asia File Shares shall not exceed the retained profits of the Company which stood at RM81.90 million as at 31 March 2023 based on the audited accounts.
- (iii) The authority conferred by this Resolution will be effective immediately upon the passing of this Resolution and will continue be in force until:
 - (a) the conclusion of the next Annual General Meeting ("AGM") of the Company, unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions;
 - (b) the expiration of the period within which the next AGM is required by law to be held unless earlier revoked or varied by ordinary resolution of the shareholders of the Company made before the aforesaid expiry date and, in any event, in accordance with the Listing Requirements of the Bursa Securities or any other relevant authorities;
- (iv) Upon completion of the purchase(s) of the Asia File Shares by the Company, the Asia File Shares shall be dealt with in the following manner:-
 - (a) to cancel the Asia File Shares so purchased; or
 - (b) to retain the Asia File Shares so purchased in treasury for distribution as dividend to the shareholders and/or resell on the market of the Bursa Securities or;
 - (c) transfer for the purpose of or under an employee share option scheme ("ESOS") or as part of purchase consideration; or
 - (d) to retain part of the Asia File Shares so purchased as treasury shares and cancel the remainder; or



Notice of Annual General Meeting (continued)

- (e) in such other manner as the Bursa Securities and such other relevant authorities may allow from time to time.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement or to effect the purchase of Asia File Shares."

10. RETENTION AS INDEPENDENT DIRECTOR

Ordinary Resolution 9

"THAT contingent upon the passing of Ordinary Resolution 1, Madam Lam Voon Kean be retained as Independent Director of the Company, in accordance with the Malaysian Code on Corporate Governance until the conclusion of the next Annual General Meeting."

11. To transact any other business of which due notice shall have been given.

DIVIDEND ANNOUNCEMENT

NOTICE IS HEREBY GIVEN that a depositor shall qualify for entitlement to the dividend only in respect of:

- (a) Shares transferred into the depositor's securities account before 4.30 pm on 4 October 2023 in respect of ordinary transfers; and
- (b) Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

The dividend, if approved, will be paid on 26 October 2023 to depositors registered in the Records of Depositors at the close of business on 4 October 2023.

BY ORDER OF THE BOARD

TAI YIT CHAN (MAICSA 7009143) (SSM PC No. 202008001023)
ONG TZE-EN (MAICSA 7026537) (SSM PC No. 202008003397)
Joint Company Secretaries
Penang, 31 July 2023

Notes:

1. Appointment of Proxy

- (a) A Member may appoint up to 2 proxies to attend and vote at the meeting. A proxy need not be a member of the Company but must be of full age of eighteen (18) years and above. If a Member appoints 2 proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- (b) Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- (c) The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or if the appointor is a corporation, either under Seal or under the hand of an officer or attorney duly authorised.
- (d) For a proxy to be valid, the Form of Proxy duly completed must be deposited at 170-09-01, Livingston Tower, Jalan Argyll, 10050 George Town, Penang, Malaysia not less than forty-eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof.
- (e) In respect of deposited securities, only a Depositor whose name appears on the Record of Depositors on 20 September 2023 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy to attend and/or vote in his/her behalf.



Notice of Annual General Meeting (continued)

2. Explanatory Notes:

(a) **Ordinary Resolution 1: Re-election of Madam Lam Voon Kean as Director**

The profile of Madam Lam Voon Kean who is standing for re-election under item 2 of this Agenda is set out under the profile of directors in the Annual Report 2023. Based on the recommendation of the Nomination & Remuneration Committee ("NRC"), the Board is satisfied with the performance and contributions of Madam Lam Voon Kean and supports her re-election. Madam Lam has fulfilled the requirements of independence set out in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. She had demonstrated objectivity and commitment through proactive engagements at meetings of the Board and Board Committees held during the financial year by sharing valuable, relevant, independent and impartial (as applicable) insights, views and opinions on issues tabled for discussion. She had exercised due care and carried out her professional duties proficiently and effectively throughout her tenure as Independent Non-Executive Director ("INED") of the Company. Madam Lam Voon Kean had abstained from deliberation and decision making on her own eligibility to stand for re-election at the meetings of the NRC and the Board.

(b) **Ordinary Resolution 2: Re-election of Mr. Lee Thean Yew as Director**

Mr. Lee Thean Yew's background is set out under profile of directors in the Annual Report 2023. He was appointed as an INED on 30 June 2023.

The NRC had duly reviewed the qualifications, skills set and experience of Mr. Lee Thean Yew. Upon review, the NRC unanimously agreed that recommendation be made to the Board on the appointment of Mr. Lee Thean Yew as INED of the Company.

As Mr. Lee Thean Yew was appointed recently, the Board concurred with the NRC that he should be given opportunity to contribute to the Company and therefore supports his re-election. Mr. Lee Thean Yew has provided confirmation of independence.

(c) **Ordinary Resolution 3: Payment of Directors' fee and benefits**

The proposed Ordinary Resolution 3, if passed, will facilitate the payment of the Directors' fee and benefits payable to the Directors for the period commencing one day after this AGM through to the next AGM of the Company in 2024. Details of the Directors' fee and benefits payable to the Directors for the financial year ended 31 March 2023 are enumerated under the Corporate Governance Report.

The Directors' fee and benefits proposed for the period commencing one day after this AGM through to the next AGM are calculated based on the number of meetings scheduled for Board and Board Committees. The Board will seek approval from the shareholders at the next AGM in the event the Directors' fee and benefits proposed is insufficient due to an increase in the number of the Board's and Board Committees' meetings and/or increase in the Board size and/or revision to the existing Directors' fee and benefits structure.

(d) **Ordinary Resolution 6: Waiver of the pre-emptive rights under Section 85 of the Companies Act 2016**

Pursuant to Section 85 of the Companies Act 2016 read together with Clause 56 of the Company's Constitution, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company or other convertible securities. In order for the Board to issue (a) all new shares in the Company, (b) all options offered or to be offered pursuant to the Company's Employees Share Option Scheme ("ESOS Options") and (c) any offers, agreements, rights, options or other convertible securities of whatever kind in respect of any new shares in the Company free of pre-emptive rights, such pre-emptive rights must be waived. The Ordinary Resolution 6, if passed, will exclude the shareholders' pre-emptive rights over all new shares in the Company, ESOS Options and any offers, agreements, rights, options or other convertible securities of whatever kind in the Company.

(e) **Ordinary Resolution 7: Authority to Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016**

The proposed Ordinary Resolution 7 is for the purpose of granting a renewed general mandate ("General Mandate") and if passed, will empower the Directors of the Company, pursuant to Sections 75 and 76 of the Act, to issue and allot new shares in the Company from time to time provided that the aggregate number of shares issued pursuant to the General Mandate does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being. This General Mandate, unless revoked or varied by the Company in general meeting, will expire at the next AGM of the Company or the expiration of the period within which the next AGM is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting whichever is the earlier.

This General Mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for purpose of funding further investment project(s), working capital and/or acquisitions.

As at the date of this Notice, no new shares in the Company were issued pursuant to this mandate granted to the Directors at the last AGM held on 29 September 2022 and which will lapse at the conclusion of this Twenty-Ninth AGM. At this juncture, there is no decision to issue new shares but the Directors consider it desirable to have the flexibility permitted to respond to market developments and to enable allotments to take place to finance business opportunities without making a pre-emptive offer to existing shareholders. If there should be a decision to issue new shares after the general mandate is obtained, the Company will make the needful announcements in respect thereof.



Notice of Annual General Meeting (continued)

(f) **Ordinary Resolution 8: Proposed Renewal of Authority To Buy Back Its Own Shares By The Company**

The Ordinary Resolution 8, if passed, will allow the Company to purchase its own shares. The total number of shares purchased shall not exceed 10% of the total number of issued shares of the Company. This authority will, unless revoked or varied by the Company in general meeting, expires at the next AGM of the Company.

(g) **Ordinary Resolution 9: Retention As Independent Director**

The Ordinary Resolution 9, if passed, will allow Madam Lam Voon Kean to be retained and continue acting as Independent Director ("ID") to fulfill the requirements of Main Market Listing Requirements of the Bursa Securities and in line with the Malaysian Code on Corporate Governance. Madam Lam Voon Kean had served as ID for a cumulative term of more than nine years.

The NRC and the Board has assessed the independence of Madam Lam Voon Kean and recommended her to continue act as an ID based on the following justifications:

- (a) She has over 35 years of experience in the fields of accounting, auditing, corporate secretarial and advisory.
- (b) She has performed her duties diligently and provided independent views during deliberations and decision-making of the Board and Board Committees.
- (c) She understood the business and operations of the Group as she has been with the Group for many years.
- (d) The length of her service on the Board does not in any way interfere with her exercise of independent judgment and ability to act in the best interest of the Group.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING:

(Pursuant to Paragraph 8.27(2) of Main Market Listing Requirements of the Bursa Malaysia Securities Berhad)

No individual is standing for election as a Director at the forthcoming Twenty-Ninth Annual General Meeting of the Company.





This Page is Intentionally Left Blank



ASIA FILE CORPORATION BHD

(Registration No. 199401027510 (313192-P))

FORM OF PROXYTwenty-Ninth (29th)
Annual General Meeting

CDS Account No.

No. of Shares Held

I*/We*

(Full name in Block Letters and NRIC / Company No.)

of

and

(Address)

(Tel. No.)

being a member*/ members* of **Asia File Corporation Bhd** hereby appoint

Full Name (in Block Letters)	NRIC/Passport No.	No. of Shares	% of Shareholding
Full Name (in Block Letters)	NRIC/Passport No.	No. of Shares	% of Shareholding

or failing him/her, THE CHAIRMAN OF THE MEETING as my/our proxy, to vote for me/us and on my/our behalf at the TWENTY-NINTH (29TH) ANNUAL GENERAL MEETING of the Company to be held at Olive 4 & 5, Level 6, Olive Tree Hotel, 76, Jalan Mahsuri, 11950 Bayan Lepas, Penang on Friday, 29 September 2023 at 10.00 am and at any adjournment thereof, in the manner indicated below:

	Ordinary Resolutions								
	1	2	3	4	5	6	7	8	9
FOR									
AGAINST									

(Please indicate with "X" in the appropriate space how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his/her discretion)

Signed this _____ day of _____ 2023

Signature of Shareholder

Common Seal to be affixed here if
Shareholder is a Corporation**Notes:****Appointment of Proxy**

1. A Member may appoint up to 2 proxies to attend and vote at the meeting. A proxy need not be a member of the Company but must be of full age of eighteen (18) years and above. If a Member appoints 2 proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
2. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account its holds.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
4. For a proxy to be valid, the Form of Proxy duly completed must be deposited at 170-09-01, Livingston Tower, Jalan Argyll, 10050 George Town, Penang, Malaysia not less than forty-eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof.
5. In respect of deposited securities, only a Depositor whose name appears on the Record of Depositors on 20 September 2023 (General Meeting Record of Depositors) shall be eligible to attend and vote at the meeting or appoint proxy to attend and vote in his/her behalf.

Personal Data Privacy

By registering and/or submitting the duly executed Form of Proxy, the member and his/her proxy has consented to the Company and/or its agents/service providers to collect, use and disclose the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the 29th Annual General Meeting of the Company and any adjournment thereof. The member agrees that he/she will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.



Please fold across the lines and close

STAMP

The Company Secretaries
ASIA FILE CORPORATION BHD
Registration No. 199401027510 (313192-P)
170-09-01, Livingston Tower
Jalan Argyll, 10050 George Town
Pulau Pinang, Malaysia

Please fold across the lines and close



