



ASIA FILE CORPORATION BHD.



Annual Report
2021

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Corporate Information

BOARD OF DIRECTORS

Dato' Lim Soon Huat
(Executive Chairman)

Ng Chin Nam
(Independent Non-Executive Director)

Lam Voon Kean
(Independent Non-Executive Director)

Nurjannah Binti Ali
(Independent Non-Executive Director)

COMPANY SECRETARIES

Tai Yit Chan
(MAICSA 7009143) (SSM PC No. 202008001023)

Ong Tze En
(MAICSA 7026537) (SSM PC No. 202008003397)

REGISTERED OFFICE

170-09-01, Livingston Tower, Jalan Argyll,
10050 George Town, Pulau Pinang.
Tel : 04-229 4390 Fax : 04-226 5860

PRINCIPAL PLACE OF BUSINESS

Plot 16, Kawasan Perindustrian Bayan Lepas,
Phase IV, Mukim 12, Bayan Lepas,
11900 Penang, Malaysia.
Tel : 04-642 6601 Fax : 04-642 6602

REGISTRAR

Agriteum Share Registration Services Sdn Bhd
(578473-T)
2nd Floor, Wisma Penang Garden
42, Jalan Sultan Ahmad Shah,
10050 Pulau Pinang
Tel : 04-228 2321 Fax : 04-227 2391

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

AUDITORS

BDO PLT (LLP0018825-LCA & AF 0206)

Management Discussion and Analysis

Introduction

Asia File Corporation Bhd. (“AFC”) was incorporated in year 1994 and subsequently listed on Bursa Malaysia Securities Berhad in year 1996.

AFC and its subsidiaries (“theGroup”) are principally involved in the following business segments:

- 1) Manufacturing and trading of filing products and filing accessories;
- 2) Manufacturing and trading of consumer and food ware products

As an integrated files manufacturer, the Group offers a wide range of filing products and filing accessories made from paperboard, plastic and metals. Through its 100% owned subsidiary in the United Kingdom, the Group also manufactures coloured paper and boards for filing, educational and other specialty markets.

The Group’s local manufacturing facilities comprise of six production and warehousing sites in Malaysia while two files producing plants and one paper mill are located in the United Kingdom in addition to two production facilities being set up in Germany.

Locally, the Group remains as the leading files manufacturer in Malaysia with a comprehensive distribution network of more than 750 retailers, hypermarkets, wholesalers and office suppliers. Its premier brand “ABBA” which is well recognised for its excellent quality and durability, remain as the leading brand name in Malaysia for filing and stationery products. The Group also owns several popular brands including ABBA, OPTION, MEGA and GUNGYU.

The Group exports its products to various countries globally including Europe, USA, Asia Pacific, Australia, New Zealand, Middle East and Africa. Over the years, the Group has successfully established itself as one of the leading filing suppliers in United Kingdom and part of Europe.

Leveraging on the financial strength of the Group and in order to further strengthen the sustainability of the business, the Group has embarked on the path of diversification and advancing into consumer and food wares industry in 2018. Through continuous refinement of product quality and enhancement of operation efficiency, the Group has successfully penetrated into this new market segment and able to compete effectively with other market players in the industry. Under its flagship brand name “ABBAware”, revenue from this new product category has been gaining traction and currently constitutes 10.6% of the total revenue of the Group.

Financial Overview

	FY2021 RM'000	FY2020 RM'000
Revenue	258,100	293,370
Results from operations	26,323	33,058
Share of profit of an associate, net of tax	22,265	9,000
Finance costs	(497)	(864)
Interest income and distribution income	3,269	3,514
Profit before tax (“PBT”)	51,360	44,708
<i>PBT %</i>	<i>19.90%</i>	<i>15.24%</i>

Management Discussion and Analysis (continued)

Financial Overview (continued)

	FY2021 RM'000	FY2020 RM'000
Tax expense	(4,748)	(7,843)
Profit after tax ("PAT")	46,612	36,865
<i>PAT%</i>	<i>18.06%</i>	<i>12.57%</i>
Shareholders' fund	679,662	626,131
Cash and bank balances	215,198	157,690
Net Asset Per Share (Sen)	348.97	321.49

Revenue

For financial year ended 31 March 2021, the Group recorded total revenue of RM258.1 million as compared to revenue of RM293.4 million achieved in the previous financial year. The unprecedented challenges of global health pandemic had impacted the Group's revenue especially in the first quarter when revenue dropped significantly by approximately 42.5%. For the month of April 2020, business activities had come to a near halt due to factory closures and shut down of productions.

Filing Products Division

This division contributed total revenue of RM230.7 million as compared to RM282.6 million delivered in the previous financial year.

As with other consumer products, filing industry has been hit hard as a result of the lockdown measures implemented by most countries including countries where the Group operates in. As businesses were shut down worldwide with offices closed, demand for filing products suffered an inevitable decline. First quarter of the financial year presented the most challenging period when strict lockdown measures shut down production and demand took a sharp dive. The situation started to improve in the second quarter when easing of restrictions allowed operation to resume and in conjunction with the "Back to School" season in oversea markets, the Group witnessed some pick up in sales as customers re-started their stock replenishment program.

Consumer and Food Ware Products Division

The overall revenue was compensated by this division which registered significant increase during the year with RM27.3 million achieved in FYE' 21 compared to RM10.7 million recorded in the previous financial year.

With food deliveries and takeaways becoming a norm during the lock down period, demand for recyclable food wares has increased significantly. Recognizing the potential growth of this division and being a new entrant into the uncharted territory, the Group has taken relentless efforts in fine tuning every aspect of its operation from production to marketing in order to compete with other more established players in the industry. The strong commitment and dedication to grow this division aggressively has seen revenue generated from this division more than quadrupled within a short period of two years.

Operating Profits

On the back of weaker sales, operating profit recorded a dip during the year from RM 33.1 million to RM 26.3 million. On top of the challenges triggered by the lock down measures as a result of the pandemic, the Group's business is also facing headwinds from drastic increase in shipping cost and

Management Discussion and Analysis (continued)

Operating Profits (continued)

unexpected rise in prices of raw materials as a result of global supply chain disruptions. The unprecedented shortage of containers has resulted in sharp surge in freight cost. The cost for a 40-foot container has skyrocketed from an average price of less than USD 2,000 to an all-time high of more than USD 15,000 during the year. The impact has hit hard on businesses when they could least afford it. In order to navigate through this treacherous path, the Group has to review, reinvent and re-model its business strategy encompassing sourcing, manufacturing, packaging and also overseas deliveries in order to minimize the cost impact. Although this has helped to mitigate the impact to a certain extent, the bottom line of the Group was nevertheless affected by the overall increase in distribution costs.

Profit before Tax

Despite the drop in operating profit, the pre-tax profit registered an increase from RM 44.7 million to RM 51.4 million. This was mainly attributable to a significant jump in share of profits of its associate which has more than doubled up during the year from RM 9.0 million to RM 22.3 million.

Taxation

The Group has a lower effective tax rate due to tax incentives currently enjoyed by its local subsidiaries.

Group Financial Position

As at 31 March 2021, the Group's financial position remains robust, with total cash and bank balance maintains at a healthy level of RM 215.2 million. Net asset per share has grown from RM3.21 in FY2020 to RM3.49 in FY2021.

Dividend

The Group is currently developing new business segment and the majority of its cash generated will be utilized for future investment or expansion. However, it shall endeavor to reward its shareholders in future for their continued support and faith in the Group.

For FYE 2021, the Board has recommended a single tier final dividend of 1.5 Sen subject to obtaining shareholders' approval at the forthcoming Annual General Meeting.

Anticipated Risks

Rising Operation Cost

As an export oriented company, the Group has to maintain its competitiveness in terms of product pricing. The surge in freight costs will no doubt result in higher operating costs when raw materials are imported and goods are exported. This may affect the Group's competitiveness when competing with other local manufacturers who do not have to deal with such adversity.

The Group will continue to review and re-strategize its operation by leveraging on its multiple manufacturing facilities in other geographical sites and also to re-structure its operation where necessary in order to minimise the overall operating costs.

Foreign Exchange Risk

The Group's majority revenues were derived outside Malaysia, forex volatilities associated with 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 potential 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.

Response to Covid-19 Pandemic

The Group has put in place various health and safety measures such as implementation of standard operating procedures on social distancing, sanitisation and hygiene practises as well as close monitoring on daily temperature screening of its employees and visitors. The Group will continue to adhere and adapt to the new normal and emphasize on safe working conditions to minimise exposure to health and safety hazard among its employees and business partners.

Business Outlook and Prospects

The pandemic is driving changes in consumer behaviours and habits that could have long-lasting effects. One of these changes would be the migration to digitalization which will bring a mixed bag of opportunities and challenges to the filing industries. It has flipped the dynamics of how businesses are traditionally conducted. Acknowledging the importance to stay relevant in today's ever changing world, the Group has embarked on various initiatives to tap into these opportunities in particular E-Commerce business which will be a major driver in enhancing the Group's margin. By strategizing on digital marketing, it has opened up a new exciting channel for the Group to market its premium products with improved margin. The Group will never lose sight of its traditional filing business and will guard its port of defence well in anticipation of any forthcoming challenges which it will have to navigate through.

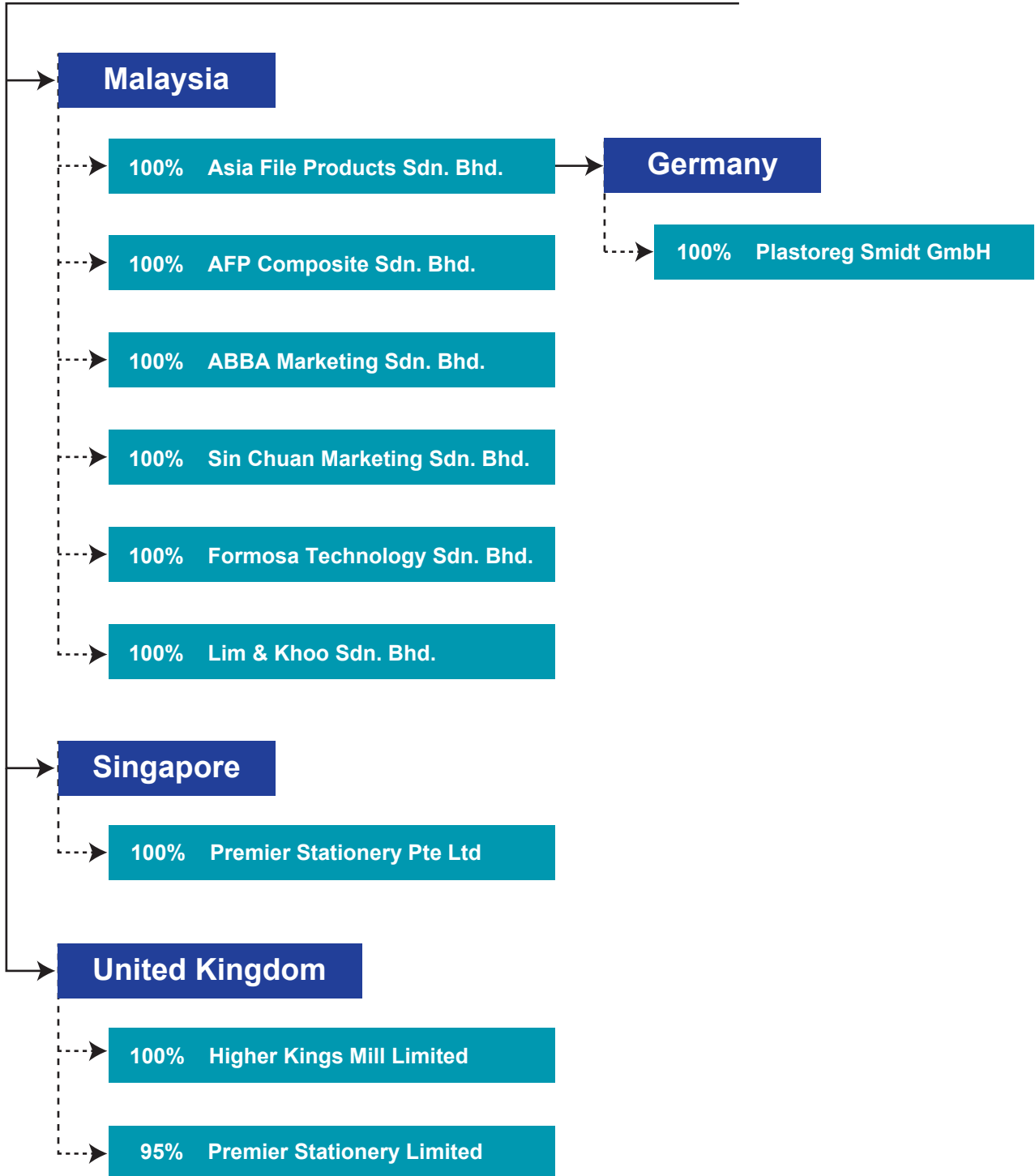
Amidst the gloomy economy outlook globally, there was some positive development driven by promising improvement in the revenue generated from its consumer and food ware division. Other than the recyclable food packaging, the Group has also added other new consumer items such as storage boxes and other household products into its product range. In view of the enormous range of products available to be offered under this new category, it will provide an excellent stimulus towards the future growth of the business.

Capitalising on its manufacturing strength and lean structure while being supported by a team of experienced and dedicated employees, the Group is optimistic that it will continue to deliver profitable results in FY 2022. With the successful roll out of vaccination program and the gradual opening of global economy, it is confident that the journey into FY2022 will be both exciting and challenging.

Corporate Structure



ASIA FILE CORPORATION BHD.



Profile of Directors



Dato' Lim Soon Huat, aged 64, Male, a Malaysian and the Non-Independent Executive Chairman. He 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 35 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 July 2021, he is the registered holder of 2,882,955 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 2021, he attended four (4) Board of Directors' meetings.

Ng Chin Nam, aged 51, Male, a Malaysian. He was appointed to the Board on 11 June 2012 as an Independent Non-Executive Director. He is the Chairman of the Audit Committee and Nomination & Remuneration Committee.

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 starts 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 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 2021, he attended four (4) Board of Directors' meetings.

Profile of Directors (continued)

Lam Voon Kean, aged 69, Female, a Malaysian. She 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 is a member of the Audit Committee and Nomination & Remuneration Committee.

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 under articleship 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 Globetronics Technology Bhd, RGB International Bhd, Alcom Group Bhd and Tambun Indah Land Bhd.



During the financial year ended 31 March 2021, she attended four (4) Board of Directors' meetings.



Nurjannah binti Ali, aged 62, Female, a Malaysian. She was appointed to the Board on 15 April 1999 as an Independent Non-Executive Director. She is a member of the Audit Committee and Nomination & Remuneration Committee.

With an accounting background, Puan Nurjannah has more than 15 years' experience in finance and corporate management. She presently sits on the Board of Public Packages Holdings Bhd and several other private limited companies.

During the financial year ended 31 March 2021, she attended four (4) Board of Directors' meetings.

Notes:

i) 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 Ng Chin Nam, Nurjannah binti Ali and Lam Voon Kean which were disclosed in the Profile of Directors, none of the other director 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. Rodney Christopher Martin, aged 62, Male, a British

- ❖ *Managing Director of Premier Stationery Limited*
- ❖ *Director of Higher Kings Mill Limited*

Mr. Rodney Christopher Martin graduated with a Business Degree from Middlesex University, England. He has been involved in the stationery and filing business for more than 30 years.

He was appointed as the managing director of Premier Stationery Limited since its establishment in 1997. He has been a director of Higher Kings Mill Limited since 2011. Mr. Rodney Christopher Martin is responsible for overseeing the operations of the two subsidiaries in the United Kingdom.

Mr. Rodney Christopher Martin 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.

Mr. Hubertus Rohe, aged 64, 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 53, 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.

Profile of Key Senior Management (continued)

Ms Lim Chin Chin, aged 40, 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 foodware 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 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.

Ms. Lim Mei Chin, aged 36, 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 a subsidiary of Asia File group of companies.

Ms. Lim Mei Chin is the daughter of Dato' Lim Soon Huat, the granddaughter of 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 46, 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 with Swanson Plastics (Malaysia) Sdn Bhd as Production Manager in April 2006. He joined the Company as Plant Manager in July 2011 and 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.

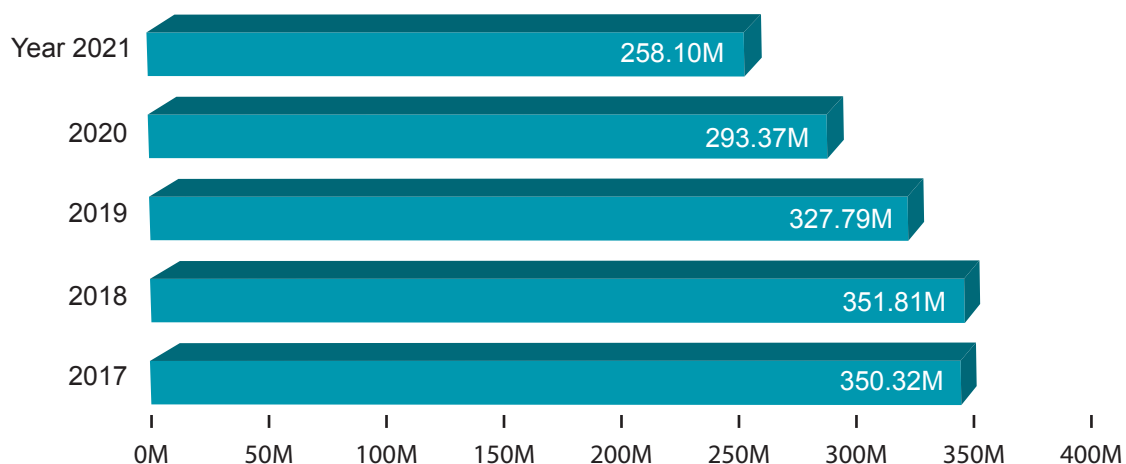
Additional information:-

None of the Key Senior Management has:

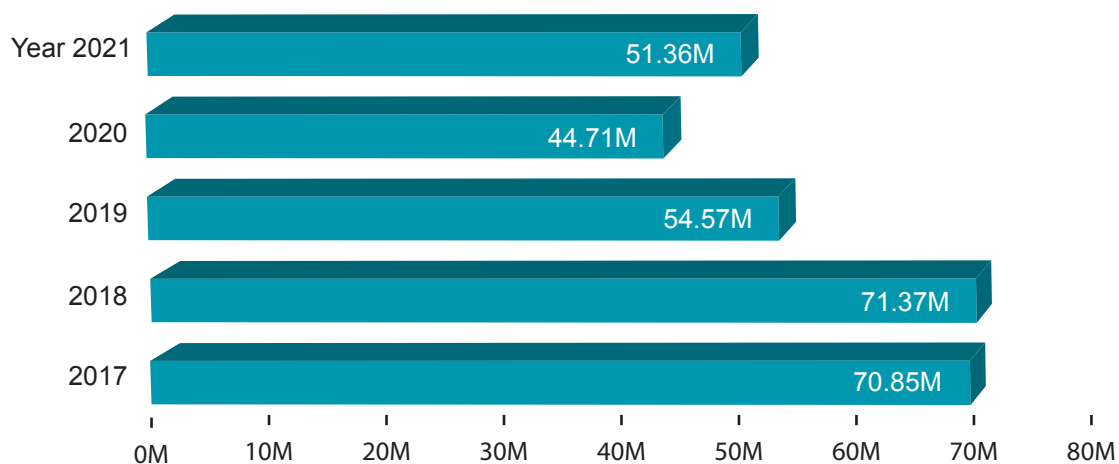
- (i) been convicted of any offence (other than traffic offences) within the past five (5) years; and
- (ii) been imposed with any public sanction or penalty by the relevant bodies during the financial year ended 31 March 2021.

Group Financial Highlights

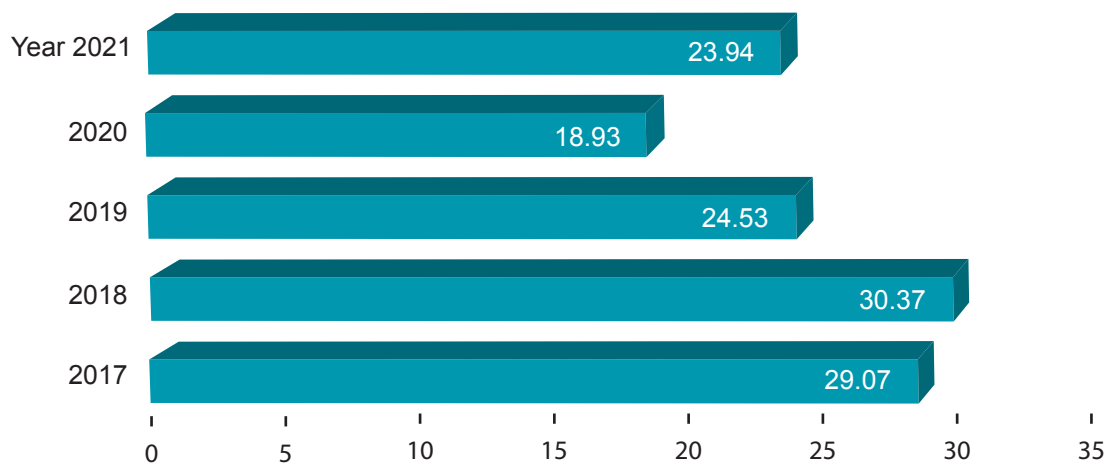
Turnover (RM)



Profit Before Taxation (RM)



Basic Earnings 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 2017 which forms part of the continuing obligations of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”).

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

This Statement is prepared in accordance with Main Market Listing Requirements (“Main Market LR”) and The Malaysian Code on Corporate Governance (“MCCG”) issued by Securities Commission Malaysia. This Statement gives the shareholders an overview of the corporate governance (“CG”) practices of the Group during financial year 2021 and is to be read in conjunction with the CG Report (“CG Report”) which is available on the Group’s website at www.asia-file.com as well as on Bursa Securities Malaysia’s website www.bursamalaysia.com.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Board Responsibilities

The Board is responsible towards the strategic planning, overseeing the resources and 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 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 table below depicts the directors’ attendance for board and board committee meetings during the year:-

Name of director	Position	Board	AC	NRC
Dato’ Lim Soon Huat	Non-Independent Executive Chairman	4/4	-	-
Mr. Lim Soon Wah	Non-Independent Executive Director	3/4*	-	-
Mr. Ng Chin Nam	Independent Non-Executive Director	4/4	4/4	2/2
Pn. Nurjannah Binti Ali	Independent Non-Executive Director	4/4	4/4	2/2
Mdm. Lam Voon Kean	Independent Non-Executive Director	4/4	4/4	2/2

* Mr. Lim Soon Wah retired as non-independent executive director on 1 December 2020.

Calendar of meetings are tabled as below:-

Types of meeting	29 Jun 2020	28 Aug 2020	28 Nov 2020	10 Mar 2021
Board	✓	✓	✓	✓
AC	✓	✓	✓	✓
NRC	✓	-	-	✓

The Group is committed to ensuring 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,

Corporate Governance Overview Statement (continued)

the Group employee handbook also outlines the moral responsibilities of the employees in discharging their duties in an ethical manner.

The Group has also put in place a Whistleblowing Policy which serves as an early warning system to detect any improper conduct within the Group and take early corrective action. The Whistleblowing Policy 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.

In view of Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (“MACC Act”), introducing corporate liability provision for bribery and corruption which comes into effect on 1 June 2020, the Group has taken steps to further strengthen its current processes and procedures to ensure adequate procedures are in place.

Chairman of the Board

The Chairman is responsible to lead the Board and ensure its effectiveness. The Chief Executive 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 who have also acted as Independent Directors in other public listed companies. The Board could rely on their extensive experience and knowledge to ensure that there is independence of judgement.

In addition, during the decision making process, the majority view of the Board will be duly considered whereby no single Board member can dominate its decision making process. The Board is confident that there will not be any potential conflict of interest as all related party transactions are disclosed in accordance with the Main Market LR. 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.

Members of the Board 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. Board meeting papers are generally provided to the Directors one week in advance of the date of the proposed meetings.

All proceedings of board meetings are properly minuted and 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 Malaysia.

Board Composition

The present Board composition comprises of 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 diversified backgrounds and specialization help to steer the Group in the right direction in fulfilling its role to its shareholders. 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 on the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. As at the date of this report, the tenures of Puan Nurjannah Binti Ali and Mr. Ng Chin Nam have exceeded nine (9) years serving as Independent Directors. The Board is of the view that the Independent Directors have performed their duties diligently and provided independent views when participating in deliberations and decision making of the Board and Board Committees. The length of their service on the Board does not in any way interfere with their exercise of independent judgement and ability to act in the best interest of the Group. In view of the

Corporate Governance Overview Statement (continued)

above, the Board is making a recommendation to shareholders for Puan Nurjannah Binti Ali and Mr. Ng Chin Nam to remain as Independent Non-Executive Directors.

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 competences, skills, experience, and knowledge should remain a priority so as not to compromise on capabilities, experience and qualification. Nevertheless, 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:-

Independence	Gender	Ethnicity	Age Group	Length of Service
Non-Independent (25%)	Male (50%)	Malay (25%)	> 60 years (75%)	> 20 years (25%)
Independent (75%)	Female (50%)	Chinese (75%)	50 – 60 years (25%)	10 – 19 years (25%)
				< 10 years (50%)

Nomination & Remuneration Committee (“NRC”)

The NRC comprises of 3 members, all of whom are Independent Non-Executive Director. 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 also well equipped with many years of corporate experience 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.

During the year, the NRC met twice (2) on 29 June 2020 and 10 March 2021. Both meetings were attended by all members of the Board Committees.

The activities undertaken by the NRC for the financial year ended 31 March 2021 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. Reviewed the criteria for evaluating Board and Board Committees’ performance and recommended to the Board the adoption of the revised Board Evaluation & Assessment Form for the annual performance review of the Directors for the financial year 2021;
5. Conducted annual performance evaluation and assessment on the effectiveness of the Board and each Board Committee in discharging its duties and responsibilities;
6. Reviewed and recommended to the Board a transparent and equitable remuneration policy and framework for the Directors and senior management of the Group;
7. 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.

Corporate Governance Overview Statement (continued)

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.

Evaluation was conducted on the Board Committee and individual Directors. 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.

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 to enhance their knowledge and expertise:-

Directors	Programmes	Date
Dato' Lim Soon Huat	☞ Malaysia's Stimulus Package	24 June 2020
	☞ Briefing on Budget 2021	30 December 2020
Mr. Ng Chin Nam	☞ Briefing on Budget 2021	30 December 2020
Pn. Nurjannah Binti Ali	☞ Leadership In Action	6 April 2020
	☞ Briefing on Budget 2021	30 December 2020
Mdm. Lam Voon Kean	☞ Judicial Management: A Corporate Rescue Mechanism in Malaysia	23 April 2020
	☞ A Change for Better Comparability and Transparency of Companies' Performance Reporting	27 April 2020
	☞ Fraud Risk Management Workshop for Directors of listed companies	4 November 2020
	☞ Audit Committee Institute Virtual Roundtable 2020 ESG Perspective: Managing Recovery and Resilience	12 November 2020
	☞ MASB Engagement Session on IFRS Foundation's Consultation Paper – Sustainability Reporting	13 November 2020
	☞ Budget 2021 Tax Highlights	29 December 2020

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.

Directors' Remuneration

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

Specific disclosure of the directors and senior management's remuneration in relation to Practice 7.1 and 7.2 of the MCCG 2017 are provided separately in the Corporate Governance Report.

Corporate Governance Overview Statement (continued)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit Committee (“AC”)

The AC of the Group comprises of three (3) Independent Non-Executive Directors. They come from strong accounting and financial background. This will enable them to understand matters discussed during the AC meetings in particular on accounts related and financial reporting issues.

During the year, AC organised two (2) private sessions with the external auditor without the presence of Executive Directors 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 year and reporting processes are set out in the Statement on Risk Management and Internal Control in this Annual Report.

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 shareholders and stakeholders regularly. A range of communication channels are used to build constructive relationship between the Group and its stakeholders. All communications with analysts, investors and media briefings are channeled 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 Listing Requirements and the Corporate Disclosure Guide from Bursa Securities, the Group issues timely and accurate quarterly statements via Bursa Securities and its Corporate 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, announcements etc. 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 provide an excellent platform for shareholders to participate in the question and answer session.

Corporate Governance Overview Statement (continued)

The Company issued the Notice of its AGM at least 28 days ahead as per requirement of Companies Act 2016 and Main Market LR providing sufficient time for shareholders to review the Notice of AGM and appoint proxies to attend the AGM if necessary.

All Board members, senior management and the Group's external auditors are available to respond to shareholders' questions during the AGM.

A media conference is usually held immediately after the AGM where the Executive Chairman and Chief Financial Officer will update media representatives on the resolutions passed and answer questions on matters related to the Group. The outcome of the AGM is announced to Bursa Malaysia on the same meeting day.

This Statement is made in accordance with a resolution of the Board dated 30 July 2021.

Audit Committee Report

The Board is pleased to present the following report on the Audit Committee and its activities for the financial year ended 31 March 2021.

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”). All members of the Audit Committee come from strong accounting background and as such possess the necessary knowledge to analyse and interpret financial statements in order to effectively discharge their duties and responsibilities as members of the Audit Committee.

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
	29 Jun 2020	28 Aug 2020	28 Nov 2020	10 Mar 2021	
Mr. Ng Chin Nam <i>(Chairman, Independent Non-Executive Director)</i>	√	√	√	√	4/4
Pn. Nurjannah Binti Ali <i>(Independent Non-Executive Director)</i>	√	√	√	√	4/4
Mdm. Lam Voon Kean <i>(Independent Non-Executive Director)</i>	√	√	√	√	4/4

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.

Further information of the members of the Audit Committee is set out in the Profile of Directors of this Annual Report and the Terms of Reference of the Audit Committee is available in the Company’s website 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. During the year, the Committee carried out the following activities:-

1. Financial Reporting

- a) 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 implementation of major accounting policies;
 - Introduction of new accounting standards and additional statutory / regulatory disclosure requirements;
 - Significant adjustments arising from the audit;
 - Significant and unusual events; and
 - Compliance with accounting standards and other legal / statutory requirements.

2. External Audit

- a) Making recommendation for the appointment of BDO PLT as the Group's external auditors for the financial year ending 31 March 2021, and ensuring the external auditors meet the criteria provided under Paragraph 15.21 of the Listing Requirements.
- b) 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.
- c) 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.
- d) Evaluated the performance, effectiveness and independence of the external auditors and made recommendations to the Board on their appointment and remuneration.

On 10 March 2021, 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 28 May 2021. 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 2021. 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 Annual 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 January 2021 to 31 March 2022 was presented by the Head of the Internal Audit Department ("IAD") and was subsequently approved by the Audit Committee on 28 November 2020.

- 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.

4. Corporate Governance

- 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 related party transactions to ensure that they were properly accounted for and disclosed in the Annual Report.

5. Other Activities

- a) Assessed the Group's readiness in facing the COVID-19 pandemic, key updates were provided by the management including the key learning from a more restricted business environment. These key updates included all the necessary measures relating to health, safety and business continuity that were taken by the Group in mitigating the impact of the pandemic.
- b) Reviewed the anti-bribery and anti-corruption risks concerning the Group and the corresponding mitigating activities. The Audit Committee also assisted the Board in overseeing the assessment on control gap carried out by the IAD in relation to the implementation of the Section 17A of the Malaysian Anti-Corruption Commission Act 2009 and ensuring all improvement points were duly addressed by the Group.
- c) The Audit Committee did not receive any reports under the Group's Whistleblowing Policy which, the Audit Committee would take very seriously in its implementation and protection of its confidentially as set out in the aforesaid policy.

Training

During the financial year 2021, 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 2021, total costs incurred for the Internal Audit function comprising staff payroll and benefits, training, travelling and incidental costs amounted to approximately RM 202,000.

This Report is made in accordance with a resolution of the Board dated 30 July 2021.

Statement On Risk Management And Internal Control

Introduction

The Board is pleased to provide the following 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 adequacy and effectiveness of the Group's risk management and internal control system which includes the establishment of an appropriate control environment and framework as well as reviewing its adequacy and effectiveness.

The Board recognises that a good control system will assist the achievement of 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 or loss.

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 Recommendation 9.1 of the Malaysian Code on Corporate Governance 2017, 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.

During the financial year, 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 at 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.

Statement On Risk Management And Internal Control (continued)

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

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.

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.

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.

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 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 will be prepared and presented to the Audit Committee for approval.

The following internal audit plans were reviewed and approved by the Audit Committee:-

Approved on	Period covered
29 November 2019	1 January 2020 - 31 December 2020
28 November 2020	1 January 2021 – 31 March 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 year under review, the IAD had conducted the audits covering the areas of:-

1. Anti-bribery and anti-corruption management
2. Health and safety management
3. Human resource management
4. Inventory management
5. Legal and regulatory compliance
6. Product certification assessment
7. Review on engineering stock control
8. Review on IT infrastructure and security
9. Review on new product development
10. Security review

Statement On Risk Management And Internal Control (continued)

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 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 for the respective HOU to respond and 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.

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. 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.

Conclusion

The Board has reviewed and believes that the risk management and internal control frameworks are adequate. Appropriate mitigating activities and control procedures are put in place to deal with any identified weaknesses. During the year, the Group has also taken all the necessary measures relating to health, safety and business continuity to mitigate the impact of the COVID-19 pandemic that has affected businesses globally.

In response to the pandemic situation, the Group has taken proactive measures to protect the health and safety of employees and also ensuring the sustainability of the business. Among the various measures taken were arrangement on having work by rotation is arranged, maintaining sufficient level of stock to avoid supply disruption, taking the necessary precaution any steps when delivering goods to customers, continuously monitoring the Group's cash liquidity as well as ensuring that employees strictly adhere to the Standard Operating Procedures (SOPs) issued by the National Security Council and the Ministry of Health at all times.

The Board is of the opinion 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.

There were no material losses incurred during the financial year under review as a result of weaknesses 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 30 July 2021.

Sustainability Report

Introduction

Over the years, the world has witnessed tremendous economic growth and although remarkable, these progress and prosperity come at a cost. At Asia File, we believe in striking a balance between achieving operational profitability whilst simultaneously managing economic, environmental and social risks and opportunities in order to sustain long-term business continuity.

This Sustainability Report is prepared in accordance with the guidelines set out in the Main Market Listing Requirement (“MMLR”) relating to Sustainability Statement in Annual Report of Listed Issuers (“Guidelines”) issued by Bursa Malaysia Securities Berhad and covers the Group’s business operations for the financial year ended 31 March 2021.

Governance Structure

The Board 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. The Board is assisted by senior management who manages the implementation of sustainability matters at their respective operations units to ensure that intended goals and objectives are met. The Internal Audit Department will conduct periodical checks to ensure 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. Various communication platforms 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.

By actively engaging with our stakeholders, feedback received will help us determine our material topics and identify our focus area:

Group	Types of Engagement	Material Matters
Shareholders & Investors	<ul style="list-style-type: none">• Annual General Meetings• Annual Reports• 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• Maximisation of shareholders’ value• Prudent risk management• Good EESG practices
Suppliers	<ul style="list-style-type: none">• Supplier evaluation forms• Supplier engagements and meetings	<ul style="list-style-type: none">• Sustainability and consistency in supply• Quality of goods and services• Compliance with suppliers’ code of conducts

Sustainability Report (continued)

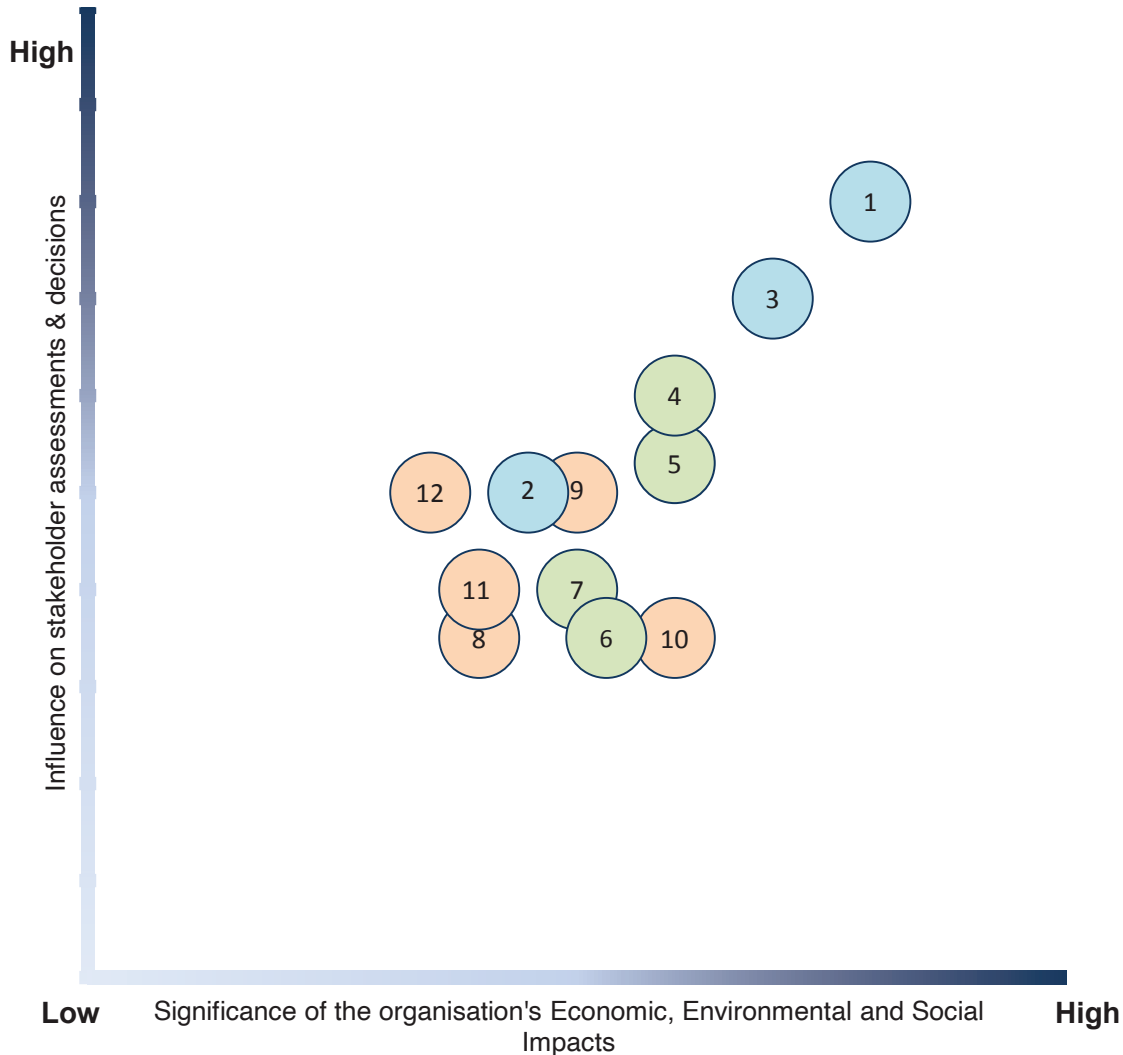
Group	Types of Engagement	Material Matters
Customers	<ul style="list-style-type: none"> • Customer surveys/reviews • Frequent customer engagements and interactions • Periodical visits and audits by customers 	<ul style="list-style-type: none"> • Customer satisfaction • Eco-friendly products • Timely delivery
Employees	<ul style="list-style-type: none"> • Regular dialogues • Annual performance appraisal & employees recognition • Team bonding events • Regular safety inspections 	<ul style="list-style-type: none"> • Remuneration and benefits • Training and development • Health and safety • Career & development opportunities • Covid-19 Preventive measures
Regulators & Government Authorities	<ul style="list-style-type: none"> • Industry seminars and focus group discussions • Regular inspection by local authorities 	<ul style="list-style-type: none"> • Compliance with related laws and regulations • Corporate governance • Standard Operating Procedures (“SOP”) on Covid-19 screening and preventive measures
Local Communities	<ul style="list-style-type: none"> • Corporate social responsibility programs • Sponsorships • Corporate donations • Announcements / disclosures 	<ul style="list-style-type: none"> • Contributions to our community • Environmental protection

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’ expectation.

Sustainability Report (continued)

Materiality Assessment

Based on engagements with stakeholders carried out during the year, materiality assessment was conducted internally by identifying and prioritising key sustainability matters which would have most impact to our business operations and key stakeholders. Results of the assessment are mapped out in the materiality matrix below:



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

Sustainability Report (continued)

Economic Sustainability

a) Revenue & Profitability

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 improved performance in its operations and has successfully generated sustainable profits over the years through the continued pursuit of new business opportunities, identifying latest business trends and improving its operation efficiencies and capabilities.

In recent years, the Group has diversified its product range to include consumer and food wares products such as plastic container and storage box, paper and plastic lunch box, paper bowl and paper cups.



In addition, the Group has also tapped into E-commerce to promote its products via digital marketing. The above initiatives will reinforce the Group's business performance and sustainability.

b) 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 assembly and packing duties to the disabled group, providing them with an opportunity to make a sustainable living.

c) Business Integrity

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

In pursuing the above objective, we will be guided by our Code of Ethics & Conduct, which among others, promote zero tolerance towards fraud, corruption and money laundering. Our Anti-Bribery & 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.

A Whistleblowing Policy was put in place to facilitate the reporting of unethical and improper business conducts that would affect the interest of the Group and its stakeholders.

These policies are communicated to all 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.

Sustainability Report (continued)

Environmental Sustainability

a) 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 the Group is in the business dealing with papers and plastics materials, it places great emphasis on compliance with the environmental rules and regulations set by the various governing authorities both locally and abroad.

b) Sustainability Sourcing

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”). We have also successfully obtained the FSC certification for our files manufacturing plants in which the materials used for FSC certified products are to be sourced from suppliers who comply with FSC requirement in term of sustainable forestry management.



c) Energy Cost Saving

In order to reduce our carbon footprint, we have initiated installation of solar panels which generate clean energy from sunlight since FY2019. Two of our main manufacturing sites in Penang are equipped with the solar panels which result in energy cost saving of up to 25%. In view of the environmental and economical benefits derived from this clean and renewal energy, we have allocated additional budget to install more solar panels on other premises subject to obtaining the required approval from the relevant authority.

d) Waste Management

Various procedures have been put in place to reuse and recycle waste products. Our plant at Permatang Tinggi has a recycling unit that recycles plastic wastes to be reused in production in order to minimise consumption of plastic material.

For materials or wastes that could not be reused or recycled, the Group has appointed government approved waste contractors to dispose of such wastes. The Group ensures that all hazardous materials or wastes such as ink and solvents are to be stored in safe places and to be disposed of in an appropriate manner through authorised contractors.

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.

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 Report (continued)

Social Sustainability

a) Workforce Diversity & Equal Opportunity

The Group believes in principles of equality and practices 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 foster corporate culture which promotes fair employment whereby our employees enjoy equal opportunities in recruitments regardless of age, race, gender, religion, marital status or disability. All employees are treated with dignity and respect regardless of rank. 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 having a well-balanced gender ratio, the Group support women in management positions as we continue to recruit, groom, retain and promote women in our workforce.

b) Health and Safety

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 held 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 have been implemented to create a safe and healthy workplace:-

- Identify and perform regular checks on potential health & safety risk area;
- Quarterly meetings held by the Health & Safety Committee in monitoring and managing the relevant health and safety policies and procedures;
- Frequent inspections on buildings and equipments to ensure safety working procedures are strictly adhered to;
- Training on safety awareness such as operations of motorized vehicle and machineries and review on safety procedure were held regularly to ensure that our employees are kept abreast with the required skills and knowledge;
- Provision of personal protective equipment to production employees;
- Conduct of fire safety audits and drills;
- Set up of emergency response team at each plant; and
- Strict disciplinary action taken against violation of any health and safety rules and policies.

Responses to Covid-19 Pandemic

In respond to the current Covid-19 pandemic situation, the Group has put in place the necessary resources to create a safe work environment. The Group has implemented various control measures and SOPs in compliance with Ministry of International Trade and Industry ("MITI") guidelines:-

- Implementation of Emergency Response Protocol;
- Communicate clearly our SOPs to all employees and raise awareness on the risk and danger posed by COVID-19 pandemic;
- Mandatory wearing of face mask;
- Temperature screening on all employees and visitors prior to entering factory premises;
- Promote frequent hand washing by installing hand sanitisers;
- Performing regular housekeeping practices including routine cleaning and disinfecting of surfaces and equipment;

Sustainability Report (continued)

- Installed partitions in the canteen and marking of lines on the floor in the common areas to ensure proper distancing and avoid overcrowding; and
- Prompt identification of employees at risk so that they could be isolated in time to curb potential spreading of virus.



c) Human Capital & Employee Welfare

One of our key corporate responsibilities is the development of human capital as our employees are our greatest asset. The Group strives 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 during their employment with the Group and ensuring such grievances are dealt with in a prompt and fair manner in accordance with other related policies of the Group.

Our year-end performance appraisal review provides an excellent platform for feedback and communication between employees and Head of Departments in discussing career advancement, areas of improvement and also training requirements.

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

We strongly believe that by maintaining a healthy work-life balance, 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. Training programs are planned based on the specific needs of employees and are 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. The Group will sponsor employees to attend external seminars and workshops to keep them abreast of new developments in their respective field of expertise.

In the past, we had organised various programs for the benefit of our employees such as festive celebrations and team building which encouraged employees to mingle and interact with one another in order to foster team spirit and build a closer working relationship. Due to the current Covid-19 pandemic, all such activities which involved close contact with others have been put on hold in order to protect the health and safety of our employees.

Sustainability Report (continued)

d) Human Rights

The Group uphold steadfastly to its principle of showing respect and protecting human rights. It prohibits any recruitment of child labour as well as any forms of slavery and human trafficking.

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.

e) Social Contribution

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

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

The Covid-19 pandemic had not only impacted our operations but also the local community. We had organised fund raising and donation campaign during the year to help the under privilege communities. Donations covering cash, food and groceries have been distributed to local poor families, Orang Asli communities and also charitable organisations.

Not forgetting our front liners who risk their lives daily during the fight against the Covid-19 pandemic, we have also done our part by contributing Personal Protective Equipment to our front liners in hospital.



Additional Compliance Information

The information set out below is 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. Options or Convertible Securities

There were no options issued by the Company during the financial year under review.

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 RM22,000 and RM346,190 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 RM8,000 and RM34,820 respectively.

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 2021.

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 MCCG 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 2021.

PRINCIPAL ACTIVITIES

The principal activities of the Company are that of investment holding, commission agent and provider of management services. The principal activities and details of the subsidiaries are disclosed in Note 9 to the financial statements.

There has been no significant change in the nature of these activities of the Group and of the Company during the financial year.

RESULTS

	Group RM	Company RM
Profit for the financial year	<u>46,612,000</u>	<u>7,775,689</u>
Profit attributable to:		
Owners of the parent	46,624,480	7,775,689
Non-controlling interests	<u>(12,480)</u>	<u>-</u>
	<u>46,612,000</u>	<u>7,775,689</u>

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year.

The Directors recommend a single-tier final dividend of 1.5 sen per ordinary share, amounting to RM2,921,386 in respect of the financial year ended 31 March 2021, 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.

ISSUE OF SHARES AND DEBENTURES

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

Directors' Report (continued)

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.

REPURCHASE OF OWN SHARES

At the Annual General Meeting held on 28 September 2020, 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.

As at 31 March 2021, the Company held a total of 500 ordinary shares as treasury shares out of its 194,759,560 issued and fully paid ordinary shares. Such shares are held at a carrying amount of RM2,131 and further relevant details are disclosed in Note 17 to the financial statements.

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 *

Nurjannah Binti Ali

Ng Chin Nam

Lam Voon Kean

Lim Soon Wah

Lim Soon Hee *

(Retired on 1 December 2020)

(Alternate to Mr. Lim Soon Wah) (Retired on 1 December 2020)

* These Directors are also Directors of certain subsidiaries of the Company.

Directors' Report (continued)

DIRECTORS (continued)

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

Subsidiaries of Asia File Corporation Bhd. (excluding those who are listed above)

Datin Khoo Saw Sim
Chan Sook Chin
Goh Phaik Ngoh
Hubertus Rohe
Lim Chin Chin
Lim Hooi Ling
Lim Mei Chin
Rodney Christopher Martin

DIRECTORS' INTERESTS

The Director holding office at the end of the financial year and his beneficial interests in the ordinary shares of the Company and of its related corporations during the financial year ended 31 March 2021 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			Balance as at
	<u>1-4-2020</u>	<u>Bought</u>	<u>Sold</u>	<u>31-3-2021</u>
Shares in the Company				
<u>Direct interests:</u>				
Dato' Lim Soon Huat	2,882,955	-	-	2,882,955
<u>Indirect interests:</u>				
Dato' Lim Soon Huat #	88,116,911	-	-	88,116,911

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

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 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 of the Company and of its related corporations during the financial year.

Directors' Report (continued)

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors has 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 except for any benefits which may be deemed to have arisen by virtue of the transactions mentioned in Note 32 to the financial statements.

There were no arrangements made 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.

DIRECTORS' REMUNERATION

The details of Directors' remuneration are disclosed in Note 26 to the financial statements.

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.

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

- (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.
- (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 EVENT DURING THE FINANCIAL YEAR

Significant event during the financial year is disclosed in Note 37 to the financial statements.

Directors' Report (continued)

AUDITORS

The auditors, BDO PLT (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 2021 amounted to RM22,000 and RM330,350 respectively.

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

Dato' Lim Soon Huat
Director

Ng Chin Nam
Director

Penang
30 July 2021

Statement By Directors

In the opinion of the Directors, the financial statements set out on pages 46 to 105 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 2021 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

Ng Chin Nam
Director

Penang
30 July 2021

Statutory Declaration

I, Goh Phaik Ngoh (MIA: 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 46 to 105 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 30 July 2021

Goh Phaik Ngoh

Before me,

Commissioner for Oaths

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 2021 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 46 to 105.

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 2021, 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 Matter

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 2021 were RM92,428,744 as disclosed in Note 12 to the financial statements.

Independent Auditors' Report To The Members Of Asia File Corporation Bhd. (continued)

Key Audit Matter (continued)

Valuation of inventories (continued)

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 impairment, as well as the impact arising from COVID-19 pandemic.

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.

Independent Auditors' Report To The Members Of Asia File Corporation Bhd. (continued)

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.

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.

Independent Auditors' Report To The Members Of Asia File Corporation Bhd. (continued)

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

- (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.

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 to the financial statements.

Independent Auditors' Report To The Members Of Asia File Corporation Bhd. (continued)

Other Matters

- (a) The financial statements of the Group and of the Company for the financial year ended 31 March 2020 were audited by another firm of Chartered Accountants whose report dated 26 August 2020 expressed an unqualified opinion on those statements.

- (b) 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
LLP0018825-LCA & AF 0206
Chartered Accountants

Lee Beng Tuan
03271/07/2022 J
Chartered Accountant

Penang
30 July 2021

Statements Of Financial Position As At 31 March 2021

	Note	Group		Company	
		2021 RM	2020 RM	2021 RM	2020 RM
ASSETS					
Non-current assets					
Property, plant and equipment	5	100,332,809	99,414,988	2,411	-
Right-of-use assets	6	7,045,873	7,141,709	-	-
Investment properties	7	1,456,529	1,504,754	-	-
Intangible assets	8	30,234,474	30,410,313	-	-
Investments in subsidiaries	9	-	-	202,187,056	202,187,056
Investment in an associate	10	190,634,434	168,251,839	6,817,228	5,192,167
Trade and other receivables	11	5,000,000	-	-	-
		334,704,119	306,723,603	209,006,695	207,379,223
Current assets					
Inventories	12	92,428,744	94,831,980	-	-
Other investments	13	-	7,691,200	-	-
Trade and other receivables	11	57,442,704	57,179,891	4,373,157	2,277,299
Current tax assets		707,569	418,816	26,540	36,729
Short-term funds	14	67,194,278	72,429,655	5,663,566	1,276,451
Cash and bank balances	15	215,197,587	157,690,300	4,216,400	3,011,241
		432,970,882	390,241,842	14,279,663	6,601,720
TOTAL ASSETS		<u>767,675,001</u>	<u>696,965,445</u>	<u>223,286,358</u>	<u>213,980,943</u>
EQUITY AND LIABILITIES					
Equity attributable to the owners of the parent					
Share capital	16	202,330,568	202,330,568	202,330,568	202,330,568
Treasury shares	17	(2,131)	(2,131)	(2,131)	(2,131)
Reserves	18	477,333,263	423,802,548	18,932,865	11,157,176
		679,661,700	626,130,985	221,261,302	213,485,613
Non-controlling interests		539,438	504,261	-	-
TOTAL EQUITY		<u>680,201,138</u>	<u>626,635,246</u>	<u>221,261,302</u>	<u>213,485,613</u>

Statements Of Financial Position As At 31 March 2021 (Continued)

	Note	Group		Company	
		2021 RM	2020 RM	2021 RM	2020 RM
LIABILITIES					
Non-current liabilities					
Lease liabilities	6	5,208,642	5,422,311	-	-
Deferred tax liabilities	19	13,082,651	11,725,040	-	-
		18,291,293	17,147,351	-	-
Current liabilities					
Borrowings	20	26,166,834	24,748,459	-	-
Lease liabilities	6	1,565,741	564,118	-	-
Trade and other payables	21	40,491,547	26,316,255	2,025,056	495,330
Current tax liabilities		958,448	1,554,016	-	-
		69,182,570	53,182,848	2,025,056	495,330
TOTAL LIABILITIES		87,473,863	70,330,199	2,025,056	495,330
TOTAL EQUITY AND LIABILITIES		767,675,001	696,965,445	223,286,358	213,980,943

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 2021

	Note	Group		Company	
		2021 RM	2020 RM	2021 RM	2020 RM
Revenue	23	258,100,193	293,370,435	11,419,629	11,241,734
Cost of sales		<u>(164,402,029)</u>	<u>(191,841,876)</u>	<u>-</u>	<u>-</u>
Gross profit		93,698,164	101,528,559	11,419,629	11,241,734
Other income	24	10,097,277	11,369,399	233,278	86,646
Distribution costs		(18,970,740)	(11,130,277)	-	-
Administrative expenses		(52,754,215)	(60,520,532)	(3,760,309)	(3,673,240)
Other operating expenses		(2,478,304)	(4,674,726)	(40,836)	(14,661)
Finance costs	27	(497,300)	(864,146)	-	-
Share of profit of an associate, net of tax		<u>22,264,847</u>	<u>8,999,618</u>	<u>-</u>	<u>-</u>
Profit before tax		51,359,729	44,707,895	7,851,762	7,640,479
Tax expense	28	<u>(4,747,729)</u>	<u>(7,843,201)</u>	<u>(76,073)</u>	<u>(37,384)</u>
Profit for the financial year		<u>46,612,000</u>	<u>36,864,694</u>	<u>7,775,689</u>	<u>7,603,095</u>
Other comprehensive income, net of tax					
Item that may be reclassified subsequently to profit or loss					
Foreign currency translations		<u>6,017,704</u>	<u>4,191,486</u>	<u>-</u>	<u>-</u>

Statements Of Profit Or Loss And Other Comprehensive Income For The Financial Year Ended 31 March 2021 (continued)

	Note	Group		Company	
		2021 RM	2020 RM	2021 RM	2020 RM
Items that will not be reclassified subsequently to profit or loss					
Share of other comprehensive income/ (loss) of equity-accounted associate		936,188	(199,453)	-	-
Other comprehensive income for the financial year, net of tax		6,953,892	3,992,033	-	-
Total comprehensive income for the financial year		<u>53,565,892</u>	<u>40,856,727</u>	<u>-</u>	<u>-</u>
Profit/(Loss) attributable to:					
Owners of the parent		46,624,480	36,858,223	7,775,689	7,603,095
Non-controlling interests		(12,480)	6,471	-	-
		<u>46,612,000</u>	<u>36,864,694</u>	<u>7,775,689</u>	<u>7,603,095</u>
Total comprehensive income attributable to:					
Owners of the parent		53,530,715	40,843,473	7,775,689	7,603,095
Non-controlling interests		35,177	13,254	-	-
		<u>53,565,892</u>	<u>40,856,727</u>	<u>7,775,689</u>	<u>7,603,095</u>
Earnings per ordinary share attributable to equity holders of the Company:					
Basic and diluted earnings per ordinary share (sen)	29	<u>23.94</u>	<u>18.93</u>		

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

Statements Of Changes In Equity For The Financial Year Ended 31 March 2021

Group	Note	[----- Non-distributable -----]		Distributable		Total attributable to owners of the parent RM	Non- controlling interests RM	Total RM
		Share capital RM	Treasury shares RM	Exchange translation reserve RM	Retained earnings RM			
Balance as at 1 April 2019		202,330,568	(2,131)	9,261,564	387,330,645	598,920,646	556,757	599,477,403
Profit for the financial year		-	-	-	36,858,223	36,858,223	6,471	36,864,694
Foreign currency translations		-	-	4,184,703	-	4,184,703	6,783	4,191,486
Share of other comprehensive loss of equity-accounted associate		-	-	(199,453)	-	(199,453)	-	(199,453)
Total comprehensive income		-	-	3,985,250	36,858,223	40,843,473	13,254	40,856,727
Transactions with owners								
Dividends paid to:	30							
- owners of the Company		-	-	-	(13,633,134)	(13,633,134)	-	(13,633,134)
- non-controlling interests		-	-	-	-	-	(65,750)	(65,750)
Total transactions with owners		-	-	-	(13,633,134)	(13,633,134)	(65,750)	(13,698,884)
Balance as at 31 March 2020		202,330,568	(2,131)	13,246,814	410,555,734	626,130,985	504,261	626,635,246

Statements Of Changes In Equity
For The Financial Year Ended 31 March 2021 (Continued)

Group	[----- Non-distributable -----]			Distributable		Total attributable to owners of the parent RM	Non- controlling interests RM	Total RM
	Share capital RM	Treasury shares RM	Exchange translation reserve RM	Retained earnings RM				
Balance as at 1 April 2020	202,330,568	(2,131)	13,246,814	410,555,734	626,130,985	504,261	626,635,246	
Profit/(Loss) for the financial year	-	-	-	46,624,480	46,624,480	(12,480)	46,612,000	
Foreign currency translations	-	-	5,970,047	-	5,970,047	47,657	6,017,704	
Share of other comprehensive income of equity-accounted associate	-	-	936,188	-	936,188	-	936,188	
Total comprehensive income	-	-	6,906,235	46,624,480	53,530,715	35,177	53,565,892	
Balance as at 31 March 2021	202,330,568	(2,131)	20,153,049	457,180,214	679,661,700	539,438	680,201,138	

Statements Of Changes In Equity For The Financial Year Ended 31 March 2021 (continued)

Company	[----- Non-distributable -----] Share capital RM	Treasury shares RM	Distributable Retained earnings RM	Total RM
Balance as at 1 April 2019	202,330,568	(2,131)	17,187,215	219,515,652
Profit for the financial year	-	-	7,603,095	7,603,095
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	-	-	7,603,095	7,603,095
Transactions with owners				
Dividends paid	-	-	(13,633,134)	(13,633,134)
Balance as at 31 March 2020/ 1 April 2020	202,330,568	(2,131)	11,157,176	213,485,613
Profit for the financial year	-	-	7,775,689	7,775,689
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	-	-	7,775,689	7,775,689
Balance as at 31 March 2021	202,330,568	(2,131)	18,932,865	221,261,302

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

Statements Of Cash Flows For The Financial Year Ended 31 March 2021

	Note	Group		Company	
		2021 RM	2020 RM	2021 RM	2020 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		51,359,729	44,707,895	7,851,762	7,640,479
Adjustments for:					
Amortisation of intangible assets	8	178,979	344,318	-	-
Bad debts written off		326	61,988	-	-
Depreciation of:					
- property, plant and equipment	5	8,837,134	8,775,365	204	-
- right-of-use assets	6	1,414,832	1,196,195	-	-
- investment properties	7	48,225	48,225	-	-
Distribution income	24	(1,965,797)	(984,938)	(28,792)	(47,129)
Dividend income from:					
- subsidiaries	23	-	-	(7,190,621)	(7,229,149)
- an associate	23	-	-	(250,456)	(281,763)
Fair value (gain)/loss on:					
- other investments		(308,800)	(2,745,849)	-	-
- short-term funds		2,276,703	189,490	(1,797)	14,034
Gain on disposal of property, plant and equipment	24	(188,255)	(38,920)	-	-
Impairment losses on trade receivables	11(h)	44,501	3,061,746	-	-
Reversal of impairment losses on trade receivables	11(h)	(4,171)	-	-	-
Inventories written back	12(c)	(432,173)	-	-	-
Inventories written down	12(c)	169,900	211,294	-	-
Property, plant and equipment written off	5	-	1,089,072	-	-
Unrealised loss/(gain) on foreign exchange		299,596	1,480,171	40,492	(5,510)
Interest expense	27	497,300	864,146	-	-
Interest income from:					
- bank balances	24	(69,114)	(383,337)	(1,795)	(8,527)
- other investments	24	(980,178)	(2,129,889)	(14,055)	-
- short-term funds	24	(253,534)	(16,165)	(1,526)	(1,031)
Share of profit of equity-accounted associate, net of tax		(22,264,847)	(8,999,618)	-	-
Operating profit before changes in working capital		38,660,356	46,731,189	403,416	81,404

Statements Of Cash Flows For The Financial Year Ended 31 March 2021 (continued)

		Group		Company	
	Note	2021 RM	2020 RM	2021 RM	2020 RM
CASH FLOWS FROM OPERATING ACTIVITIES (continued)					
Operating profit before changes in working capital		38,660,356	46,731,189	403,416	81,404
Changes in working capital:					
Inventories		4,925,417	15,758,212	-	-
Trade and other receivables		(2,946,815)	8,361,412	(2,136,350)	17,367,600
Trade and other payables		12,417,088	(7,636,359)	1,529,726	47,279
Cash generated from/(used in) operations		53,056,046	63,214,454	(203,208)	17,496,283
Tax paid		(4,397,638)	(4,658,760)	(65,884)	(84,030)
Net cash from/(used in) operating activities		<u>48,658,408</u>	<u>58,555,694</u>	<u>(269,092)</u>	<u>17,412,253</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Addition of investment in an associate	10(d)	(1,625,061)	-	(1,625,061)	-
Dividends received from:					
- subsidiaries		-	-	7,190,621	7,229,149
- an associate		2,443,500	2,748,938	250,456	281,763
Interest received		1,049,292	2,513,226	15,850	8,527
Decrease in other investments		8,000,000	19,537,212	-	-
Net proceeds from redemption/ (purchase) of short-term funds		5,178,005	(59,511,179)	(4,355,000)	(1,240,016)
Proceeds from disposal of property, plant and equipment		193,228	60,044	-	-
Purchase of property, plant and equipment	5	(8,582,645)	(7,021,353)	(2,615)	-
Net cash from/(used in) investing activities		<u>6,656,319</u>	<u>(41,673,112)</u>	<u>1,474,251</u>	<u>6,279,423</u>

Statements Of Cash Flows For The Financial Year Ended 31 March 2021 (continued)

	Note	Group		Company	
		2021 RM	2020 RM	2021 RM	2020 RM
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid					
- owners of the Company		-	(21,423,496)	-	(21,423,496)
- non-controlling interests		-	(65,750)	-	-
Drawdown of short-term borrowings		1,060,992	-	-	-
Interest paid	27	(287,175)	(661,299)	-	-
Repayments of:					
- short-term borrowings		-	(3,616,067)	-	-
- lease liabilities	6	(786,105)	(1,395,727)	-	-
Net cash used in financing activities		<u>(12,288)</u>	<u>(27,162,339)</u>	<u>-</u>	<u>(21,423,496)</u>
Net increase/(decrease) in cash and cash equivalents		55,302,439	(10,279,757)	1,205,159	2,268,180
Effects of exchange rate changes on cash and cash equivalents		2,204,848	2,781,184	-	-
Cash and cash equivalents at beginning of financial year		<u>157,690,300</u>	<u>165,188,873</u>	<u>3,011,241</u>	<u>743,061</u>
Cash and cash equivalents at end of financial year		<u><u>215,197,587</u></u>	<u><u>157,690,300</u></u>	<u><u>4,216,400</u></u>	<u><u>3,011,241</u></u>

Statements Of Cash Flows For The Financial Year Ended 31 March 2021 (continued)

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Group	Lease liabilities (Note 6) RM	Short term borrowings (Note 20) RM
Balance as at 1 April 2020	5,986,429	24,748,459
Cash flows	(786,105)	1,060,992
Non-cash flows:		
- Exchange differences	345,017	357,383
- Unwinding of interest	210,125	-
- Lease remeasurement	1,018,917	-
Balance as at 31 March 2021	<u>6,774,383</u>	<u>26,166,834</u>
Balance as at 1 April 2019	7,198,921	27,553,116
Cash flows	(1,395,727)	(3,616,067)
Non-cash flows:		
- Exchange differences	(19,612)	811,410
- Unwinding of interest	202,847	-
Balance as at 31 March 2020	<u>5,986,429</u>	<u>24,748,459</u>

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

Notes To The Financial Statements

31 March 2021

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, Bayan Lepas, 11900 Penang.

The consolidated financial statements for the financial year ended 31 March 2021 comprise the financial statements of the Company and its subsidiaries. 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 30 July 2021.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged as an investment holding company, commission agent and provider of management services. The principal activities and details of the subsidiaries are disclosed in Note 9 to the financial statements.

There has been no significant change in the nature of these activities of the Group and of the Company during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company as set out on pages 46 to 105 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 2021 (continued)

4. OPERATING SEGMENTS

The Group has two (2) reportable segments, as described below, which are the Group's strategic business units. 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

During the financial year, the Group has identified its consumer and food ware products line as a reportable segment due to the increased significance of segment profits. This results in two (2) reportable segments in the current financial year in accordance with the quantitative thresholds and a restatement of prior period segment data for comparative purposes.

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 Group's chief operating decision maker. Segment assets and segment liabilities information is neither included in the internal management reports nor provided regularly to the CEO. 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 notes to the financial statements.

(a) Reportable segments

Group	Filing products RM	Consumer and food ware products RM	Total RM
2021			
Segment profits	<u>23,266,998</u>	<u>4,969,687</u>	<u>28,236,685</u>
<i>Included in the measure of segment profits are:</i>			
Revenue from external customers	230,702,733	27,322,692	258,025,425
Amortisation of intangible assets	178,979	-	178,979
Depreciation of:			
- investment properties	48,225	-	48,225
- property, plant and equipment	8,181,731	655,403	8,837,134
- right-of-use assets	<u>1,414,832</u>	<u>-</u>	<u>1,414,832</u>

Notes To The Financial Statements 31 March 2021 (continued)

4. OPERATING SEGMENTS (continued)

(a) Reportable segments (continued)

Group	Filing products RM	Consumer and food ware products RM	Total RM
2020			
Segment profits	<u>29,147,129</u>	<u>1,432,774</u>	<u>30,579,903</u>
<i>Included in the measure of segment profits are:</i>			
Revenue from external customers	282,629,810	10,659,304	293,289,114
Amortisation of intangible assets	344,318	-	344,318
Depreciation of:			
- investment properties	48,225	-	48,225
- property, plant and equipment	8,158,926	616,439	8,775,365
- right-of-use assets	<u>1,196,195</u>	<u>-</u>	<u>1,196,195</u>

(b) Reconciliations

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

Group	2021 RM	2020 RM
Revenue		
Total revenue for reportable segments	258,025,425	293,289,114
Revenue for non-reportable segment	<u>74,768</u>	<u>81,321</u>
Revenue of the Group per statements of profit or loss and other comprehensive income	<u>258,100,193</u>	<u>293,370,435</u>
Profit for the financial year		
Total profit for reportable segments	28,236,685	30,579,903
Profit/(Loss) for non-reportable segment	54,777	(78,166)
Finance costs	(497,300)	(864,146)
Investing results*	1,300,720	6,070,686
Share of profits of an associate	22,264,847	8,999,618
Tax expenses	<u>(4,747,729)</u>	<u>(7,843,201)</u>
Profit for the financial year	<u>46,612,000</u>	<u>36,864,694</u>

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

Notes To The Financial Statements 31 March 2021 (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 financial instruments and investment in an associate.

Group	Revenue		Non-current assets	
	2021 RM	2020 RM	2021 RM	2020 RM
Malaysia	59,652,789	44,153,886	62,761,782	58,944,100
Asia (excluding Malaysia)	5,710,181	8,630,745	-	-
Europe	178,150,138	219,468,717	76,307,903	79,527,664
America	4,333,160	5,035,561	-	-
Others	10,253,925	16,081,526	-	-
	<u>258,100,193</u>	<u>293,370,435</u>	<u>139,069,685</u>	<u>138,471,764</u>

(d) Major customers

A major customer of the Group, with revenue equal or more than ten percent (10%) of the Group's revenue, contributes approximately RM38,264,645 (2020: RM49,576,251) of the Group's revenue.

Notes To The Financial Statements
31 March 2021 (continued)

5. PROPERTY, PLANT AND EQUIPMENT

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 2020	17,408,759	90,747,464	182,616,886	21,134,149	8,642,928	320,550,186
Additions	-	2,061,093	5,757,858	150,527	613,167	8,582,645
Disposals	-	-	(1,592,723)	(11,447)	(87,974)	(1,692,144)
Exchange differences	74,375	1,378,588	2,349,022	399,956	139,380	4,341,321
Balance as at 31 March 2021	17,483,134	94,187,145	189,131,043	21,673,185	9,307,501	331,782,008
Accumulated depreciation						
Balance as at 1 April 2020	-	44,626,435	149,513,696	19,222,802	7,772,265	221,135,198
Charge during the financial year	-	2,190,324	5,612,426	520,281	514,103	8,837,134
Disposals	-	-	(1,592,723)	(6,474)	(87,974)	(1,687,171)
Exchange differences	-	776,173	1,901,271	362,132	124,462	3,164,038
Balance as at 31 March 2021	-	47,592,932	155,434,670	20,098,741	8,322,856	231,449,199
Carrying amount						
Balance as at 31 March 2021	17,483,134	46,594,213	33,696,373	1,574,444	984,645	100,332,809

Notes To The Financial Statements
31 March 2021 (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	Asset under construction RM	Total RM
At cost							
Balance as at 1 April 2019	17,282,322	89,173,704	177,413,646	20,367,171	8,579,770	40,000	312,856,613
Additions	-	149,130	6,351,946	352,061	168,216	-	7,021,353
Disposals	-	(38,912)	(939,147)	(185,006)	(233,338)	-	(1,396,403)
Written off	-	-	(2,897,320)	(709)	-	-	(2,898,029)
Reclassification	-	40,000	-	-	-	(40,000)	-
Exchange differences	126,437	1,423,542	2,687,761	600,632	128,280	-	4,966,652
Balance as at 31 March 2020	17,408,759	90,747,464	182,616,886	21,134,149	8,642,928	-	320,550,186
Accumulated depreciation							
Balance as at 1 April 2019	-	41,526,497	144,196,265	18,275,838	7,393,454	-	211,392,054
Charge during the financial year	-	2,115,960	5,595,265	569,794	494,346	-	8,775,365
Disposals	-	(20,272)	(939,128)	(182,575)	(233,304)	-	(1,375,279)
Written off	-	-	(1,808,551)	(406)	-	-	(1,808,957)
Exchange differences	-	1,004,250	2,469,845	560,151	117,769	-	4,152,015
Balance as at 31 March 2020	-	44,626,435	149,513,696	19,222,802	7,772,265	-	221,135,198
Carrying amount							
Balance as at 31 March 2020	17,408,759	46,121,029	33,103,190	1,911,347	870,663	-	99,414,988

Notes To The Financial Statements 31 March 2021 (continued)

5. PROPERTY, PLANT AND EQUIPMENT (continued)

Company	Office equipment, furniture and fittings RM	Total RM
At cost		
Balance as at 1 April 2020	-	-
Additions	2,615	2,615
Balance as at 31 March 2021	2,615	2,615
Accumulated depreciation		
Balance as at 1 April 2020	-	-
Charge during the financial year	204	204
Balance as at 31 March 2021	204	204
Carrying amount		
Balance as at 31 March 2021	2,411	2,411

- (a) All items of property, plant and equipment are initially measured at cost. After initial recognition, property, plant and equipment except for freehold land are stated at cost less accumulated depreciation and any accumulated impairment losses.
- (b) 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%

Freehold land has unlimited useful life and is not depreciated.

Asset under construction represented plant and machinery under construction. It was not depreciated until such time when the asset was made available for use.

Notes To The Financial Statements
31 March 2021 (continued)

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group as lessee

Right-of-use assets

Group	Balance as at 1 April 2020 RM	Depreciation RM	Effect of lease remeasurement RM	Exchange differences RM	Balance as at 31 March 2021 RM
Carrying amount					
Leasehold lands	1,126,171	(31,982)	-	-	1,094,189
Building	6,015,538	(1,382,850)	1,018,917	300,079	5,951,684
	<u>7,141,709</u>	<u>(1,414,832)</u>	<u>1,018,917</u>	<u>300,079</u>	<u>7,045,873</u>

Group	Balance as at 1 April 2019 RM	Depreciation RM	Exchange differences RM	Balance as at 31 March 2020 RM
Carrying amount				
Leasehold lands	1,158,153	(31,982)	-	1,126,171
Building	7,198,921	(1,164,213)	(19,170)	6,015,538
	<u>8,357,074</u>	<u>(1,196,195)</u>	<u>(19,170)</u>	<u>7,141,709</u>

Notes To The Financial Statements
31 March 2021 (continued)

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

The Group as lessee (continued)

Lease liabilities	Balance as at 1 April 2020 RM	Lease payments RM	Interest expense RM	Effect of lease remeasurement RM	Exchange differences RM	Balance as at 31 March 2021 RM
Carrying amount						
Building	5,986,429	(786,105)	210,125	1,018,917	345,017	6,774,383
Group						
Balance as at 1 April 2019 RM						
Carrying amount						
Building	7,198,921	(1,395,727)	202,847	(19,612)	(19,612)	5,986,429
Group						

Notes To The Financial Statements 31 March 2021 (continued)

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

The Group as lessee (continued)

Lease liabilities (continued)

	Group	
	2021	2020
	RM	RM
Represented by:		
Current liabilities	1,565,741	564,118
Non-current liabilities	5,208,642	5,422,311
	6,774,383	5,986,429
Lease liabilities owing to non-financial institutions	6,774,383	5,986,429

- (a) The 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.

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 end of the lease terms. The remaining lease terms of right-of-use assets are as follows:

Leasehold lands	30 years (2020: 31 years)
Building	4 years (2020: 5 years)

- (b) The Group has certain leases of hostels with lease term of twelve (12) months or less. The Group applies the “short-term lease” exemptions for these leases.

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

	Group	
	2021	2020
	RM	RM
Depreciation charge of right-of-use assets (included in administrative expenses)	1,414,832	1,196,195
Interest expense on lease liabilities (included in finance costs)	210,125	202,847
Expenses relating to short-term leases (included in cost of sales)	261,197	331,099
	1,886,154	1,730,141

Notes To The Financial Statements 31 March 2021 (continued)

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

(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 Group's operations.

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

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

7. INVESTMENT PROPERTIES

Group	Leasehold lands RM	Factory buildings RM	Total RM
Carrying amount			
Balance as at 1 April 2020	241,276	1,263,478	1,504,754
Depreciation charge for the financial year	(6,894)	(41,331)	(48,225)
Balance as at 31 March 2021	<u>234,382</u>	<u>1,222,147</u>	<u>1,456,529</u>
As at 31 March 2021			
Cost	379,155	2,066,583	2,445,738
Accumulated depreciation	(144,773)	(844,436)	(989,209)
Carrying amounts	<u>234,382</u>	<u>1,222,147</u>	<u>1,456,529</u>
Carrying amount			
Balance as at 1 April 2019	248,170	1,304,809	1,552,979
Depreciation charge for the financial year	(6,894)	(41,331)	(48,225)
Balance as at 31 March 2020	<u>241,276</u>	<u>1,263,478</u>	<u>1,504,754</u>
As at 31 March 2020			
Cost	379,155	2,066,583	2,445,738
Accumulated depreciation	(137,879)	(803,105)	(940,984)
Carrying amounts	<u>241,276</u>	<u>1,263,478</u>	<u>1,504,754</u>

(a) 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.

Investment properties are amortised on a straight line basis to write down the cost of the assets to their residual value over the estimated useful lives. The principal depreciation periods and annual rate are as follows:

Leasehold lands	34 years (2020: 35 years)
Factory buildings	2%

Notes To The Financial Statements 31 March 2021 (continued)

7. INVESTMENT PROPERTIES (continued)

(a) (continued)

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.

(b) The fair value of the investment properties for disclosure purposes, which is at Level 3 of the fair value hierarchy, is estimated to be at approximately RM4,000,000 (2020: RM4,000,000). The fair value 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.

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

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

	Group	
	2021	2020
	RM	RM
Quit rent and assessment	16,282	15,406

(d) The Group has entered into non-cancellable operating lease agreements on certain properties for terms of two (2) to two and 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.

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

	Group	
	2021	2020
	RM	RM
Less than one (1) year	312,600	294,564
One (1) to two (2) years	324,636	150,282
Two (2) to three (3) years	324,636	-
	961,872	444,846

Notes To The Financial Statements 31 March 2021 (continued)

8. INTANGIBLE ASSETS

Group	Goodwill RM	Customer contracts RM	Total RM
At cost			
Balance as at 1 April 2020	30,234,456	2,744,188	32,978,644
Exchange differences	-	57,651	57,651
Balance as at 31 March 2021	<u>30,234,456</u>	<u>2,801,839</u>	<u>33,036,295</u>
Accumulated amortisation			
Balance as at 1 April 2020	-	2,568,331	2,568,331
Charge during the financial year	-	178,979	178,979
Exchange differences	-	54,511	54,511
Balance as at 31 March 2021	<u>-</u>	<u>2,801,821</u>	<u>2,801,821</u>
Carrying amount			
Balance as at 31 March 2021	<u>30,234,456</u>	<u>18</u>	<u>30,234,474</u>
At cost			
Balance as at 1 April 2019	30,234,456	2,646,181	32,880,637
Exchange differences	-	98,007	98,007
Balance as at 31 March 2020	<u>30,234,456</u>	<u>2,744,188</u>	<u>32,978,644</u>
Accumulated amortisation			
Balance as at 1 April 2019	-	2,137,459	2,137,459
Charge during the financial year	-	344,318	344,318
Exchange differences	-	86,554	86,554
Balance as at 31 March 2020	<u>-</u>	<u>2,568,331</u>	<u>2,568,331</u>
Carrying amount			
Balance as at 31 March 2020	<u>30,234,456</u>	<u>175,857</u>	<u>30,410,313</u>

- (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 7 years (2020: 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 2021 (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 6% (2020: 6%).
 - (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 2021 as the recoverable amount of CGU was in excess of its carrying amount.

9. INVESTMENTS IN SUBSIDIARIES

	Company	
	2021	2020
	RM	RM
Unquoted equity shares, at cost	198,068,043	198,068,043
Share-based payments allocated to subsidiaries	4,119,013	4,119,013
	<u>202,187,056</u>	<u>202,187,056</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 2021 (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
		2021	2020	
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, recyclable food wares and other paper and plastic based products
Formosa Technology Sdn. Bhd. ^	Malaysia	100%	100%	Manufacturing of recyclable food wares
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 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
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 2021 (continued)

9. INVESTMENTS IN SUBSIDIARIES (continued)

(b) Details of the subsidiaries are as follows: (continued)

^ Subsidiaries audited by BDO PLT, Malaysia

* Subsidiaries audited by BDO member firms

Subsidiary not audited by BDO PLT or BDO member firms

(c) 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 2021 and 31 March 2020.

10. INVESTMENT IN AN ASSOCIATE

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Quoted equity shares, at cost	48,666,970	47,041,909	6,817,228	5,192,167
Share of post-acquisition reserves	141,967,464	121,209,930	-	-
	<u>190,634,434</u>	<u>168,251,839</u>	<u>6,817,228</u>	<u>5,192,167</u>
Fair value of quoted shares:				
- Level 1	<u>160,450,680</u>	<u>65,363,625</u>	<u>17,902,820</u>	<u>6,699,698</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 most recent available financial statements of the associate are used by the Group in applying the equity method. The share of results of the associate of the Group is based on the unaudited financial statements made up to 31 March 2021. The use of unaudited financial statements is not expected to have any significant effects on the financial statements of the Group.

(c) Details of the associate are as follows:

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activity
		2021	2020	
Muda Holdings Berhad *	Malaysia	20.23%	20.03%	Investment holding

* Not audited by BDO PLT or BDO member firms

Notes To The Financial Statements 31 March 2021 (continued)

10. INVESTMENT IN AN ASSOCIATE (continued)

- (d) In March 2021, the Group and the Company had acquired 624,300 ordinary shares in Muda Holdings Berhad for a total cash consideration of RM1,625,061. Pursuant to that, the equity interest of the Group in the associate increased from 20.03% to 20.23% at the end of the financial year.
- (e) 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.

	2021	2020
	RM'000	RM'000
Muda Holdings Berhad		
Summarised financial information as at 31 March:		
Non-current assets	1,012,163	940,932
Current assets	781,756	649,112
Non-current liabilities	(212,319)	(201,533)
Current liabilities	(600,934)	(523,675)
Non-controlling interests	(36,929)	(24,755)
Net assets	943,737	840,081
Financial period ended 31 March:		
Profit from continuing operations	111,158	44,941
Other comprehensive income/(loss)	4,674	(997)
Total comprehensive income	115,832	43,944
Included in the total comprehensive income:		
Revenue	1,501,327	1,479,849
Reconciliation of net assets to carrying amount as at 31 March:		
Group's share of net assets representing carrying amount of the associate in the statements of financial position	190,918	168,252
Group's share of results for the financial period ended 31 March:		
Group's share of profit or loss from continuing operations	22,265	8,999
Group's share of other comprehensive income/(loss)	936	(199)
Group's share of total comprehensive income	23,201	8,800
Other information:		
Dividends received by the Group	2,444	2,749

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

Notes To The Financial Statements
31 March 2021 (continued)

11. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Non-current				
Other receivable				
Deposit	5,000,000	-	-	-
Total non-current receivable	5,000,000	-	-	-
Current				
Trade receivables				
Third parties	53,604,078	53,434,191	-	-
Amounts owing by related parties	36,247	53,237	-	-
	53,640,325	53,487,428	-	-
Less: Impairment loss				
- Third parties	(2,696,719)	(3,649,367)	-	-
Total trade receivables	50,943,606	49,838,061	-	-
Other receivables				
Third parties	3,757,365	4,428,180	-	175
Amount owing by a subsidiary	-	-	4,373,157	2,277,124
Deposits	864,414	711,715	-	-
	4,621,779	5,139,895	4,373,157	2,277,299
Total current receivables	55,565,385	54,977,956	4,373,157	2,277,299
Prepayments	1,877,319	2,201,935	-	-
Total current trade and other receivables	57,442,704	57,179,891	4,373,157	2,277,299

- (a) Total non-current and current receivables are classified as financial assets measured at amortised cost.
- (b) The non-current other receivable pertains to deposit for a distributorship agreement for a period of thirty (30) months commencing on 1 December 2020. The deposit is interest-free and refundable upon the expiration of the agreement on 1 June 2023.
- (c) 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 (2020: 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.

Notes To The Financial Statements 31 March 2021 (continued)

11. TRADE AND OTHER RECEIVABLES (continued)

- (d) Amounts owing by related parties are unsecured, interest-free and the credit term granted by the Group on sale of goods is 90 days (2020: 90 days). The related parties are companies in which a Director and his close family members collectively have controlling interests.
- (e) The amount owing by a subsidiary is unsecured, interest-free and repayable within next twelve (12) months in cash and cash equivalents.
- (f) The currency exposure profile of total non-current and current receivables (excluding prepayments) is as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Ringgit Malaysia	23,358,595	13,292,772	4,373,157	2,277,299
Great Britain Pound	25,798,453	31,913,081	-	-
Euro	6,853,619	6,777,704	-	-
United States Dollar	4,465,897	2,794,057	-	-
Others	88,821	200,342	-	-
	60,565,385	54,977,956	4,373,157	2,277,299

- (g) 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.

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 expected loss rates are based on the historical credit losses experienced by the Group over the three (3) year period prior to the period end. 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.

Notes To The Financial Statements 31 March 2021 (continued)

11. TRADE AND OTHER RECEIVABLES (continued)

(g) (continued)

Lifetime expected loss provision for trade receivables of the Group as at 31 March 2021 and 31 March 2020 are as follows:

Group	Expected loss rate	Gross carrying amount RM	Impairment RM
31 March 2021			
Current	0%	40,097,815	-
Past due			
- 1 to 30 days	0%	8,263,884	-
- 31 to 60 days	0%	2,059,792	-
- 61 to 90 days	7%	450,334	(32,895)
Credit impaired			
- More than 90 days	96%	2,768,500	(2,663,824)
		<u>53,640,325</u>	<u>(2,696,719)</u>
31 March 2020			
Current	0%	31,619,456	-
Past due			
- 1 to 30 days	0%	13,464,013	-
- 31 to 60 days	0%	2,936,897	-
- 61 to 90 days	4%	955,329	(35,714)
Credit impaired			
- More than 90 days	80%	4,511,733	(3,613,653)
		<u>53,487,428</u>	<u>(3,649,367)</u>

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

Notes To The Financial Statements 31 March 2021 (continued)

11. TRADE AND OTHER RECEIVABLES (continued)

(h) 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 2020	35,714	3,613,653	3,649,367
Reversal of impairment losses	(4,171)	-	(4,171)
Written off	-	(1,012,526)	(1,012,526)
Charge for the financial year	-	44,501	44,501
Exchange differences	1,352	18,196	19,548
Balance as at 31 March 2021	<u>32,895</u>	<u>2,663,824</u>	<u>2,696,719</u>
Balance as at 1 April 2019	108,029	609,387	717,416
Written off	(76,071)	-	(76,071)
Charge for the financial year	2,881	3,058,865	3,061,746
Exchange differences	875	(54,599)	(53,724)
Balance as at 31 March 2020	<u>35,714</u>	<u>3,613,653</u>	<u>3,649,367</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.

- (i) Impairment for other receivables and amount owing by a subsidiary is recognised based on the general approach within MFRS 9 using the forward-looking expected credit loss model. 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. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve (12) month expected credit losses along with gross interest income are recognised. At the end of the reporting period, the Group assesses whether there has been a significant increase in credit risk for financial assets 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.

Notes To The Financial Statements 31 March 2021 (continued)

11. TRADE AND OTHER RECEIVABLES (continued)

(i) (continued)

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 incorporating the impact of the COVID-19 pandemic.

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

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

12. INVENTORIES

	Group	
	2021	2020
	RM	RM
At cost		
Raw materials	54,750,263	55,522,854
Work-in-progress	3,898,020	4,039,184
Finished goods	32,506,787	34,133,601
	91,155,070	93,695,639
At net realisable value		
Raw materials	203,014	6,485
Finished goods	1,070,660	1,129,856
	92,428,744	94,831,980

- (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.

Notes To The Financial Statements 31 March 2021 (continued)

12. INVENTORIES (continued)

- (c) As at the end of each reporting period, the following are the amounts recognised in cost of sales:

	Group	
	2021	2020
	RM	RM
Cost of inventories	164,664,302	191,630,582
Inventories written back	(432,173)	-
Inventories written down	169,900	211,294
	169,900	211,294

During the financial year, the Group wrote back RM432,173 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, as well as incorporating the impact of the COVID-19 pandemic, to ascertain the amount of inventories to be written down.

13. OTHER INVESTMENTS

	Group	
	2021	2020
	RM	RM
Financial assets at fair value through profit or loss		
Equity-linked investments	-	7,691,200

- (a) Equity-linked investments were denominated in Ringgit Malaysia.
- (b) Equity-linked investments were grouped under Level 2 of the fair value hierarchy. The fair value of these investments was estimated based on standard option pricing model by taking into consideration the general level of interest rates, the market price/level of underlying reference assets, the volatility in the price/level of underlying reference assets, the level of foreign exchange rates, the level of expected future and realised dividends and the time to maturity of the investment. There was no transfer between levels in the hierarchy during the financial year.
- (c) Information on financial risks of other investments is disclosed in Note 33 to the financial statements.

Notes To The Financial Statements 31 March 2021 (continued)

14. SHORT-TERM FUNDS

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Financial assets at fair value through profit or loss				
Short-term funds	<u>67,194,278</u>	<u>72,429,655</u>	<u>5,663,566</u>	<u>1,276,451</u>

- (a) Short-term funds are mainly 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.
- (b) Short-term funds of the Group and of the Company are highly liquid investments, which are readily convertible to a known amounts of cash and be subject to an insignificant risk of changes in value. These funds can be redeemed within one (1) day after the receipt of the request to repurchase.
- (c) Short-term funds of the Group and of the Company are denominated in Ringgit Malaysia.
- (d) 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.
- (e) Information on financial risks of short-term funds is disclosed in Note 33 to the financial statements.

15. CASH AND BANK BALANCES

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Cash and bank balances	188,042,179	87,791,375	4,216,400	122,540
Deposits with licensed banks	27,155,408	69,898,925	-	2,888,701
	<u>215,197,587</u>	<u>157,690,300</u>	<u>4,216,400</u>	<u>3,011,241</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 is as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Ringgit Malaysia	4,200,513	1,665,040	190,624	46,938
Euro	147,114,009	51,907,960	3,706,296	-
Great Britain Pound	62,859,232	92,672,576	319,480	2,964,303
United States Dollar	730,329	11,142,900	-	-
Others	293,504	301,824	-	-
	<u>215,197,587</u>	<u>157,690,300</u>	<u>4,216,400</u>	<u>3,011,241</u>

Notes To The Financial Statements 31 March 2021 (continued)

15. CASH AND BANK BALANCES (continued)

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

16. SHARE CAPITAL

	Group and Company			
	2021			2020
	Number of shares	Amount RM	Number of shares	Amount RM
Issued and fully paid ordinary share with no par value				
Balance as at 31 March	<u>194,759,560</u>	<u>202,330,568</u>	<u>194,759,560</u>	<u>202,330,568</u>

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.

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 28 September 2020, 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 2021, the ordinary shares held as treasury shares were 500 units (2020: 500 units). The number of outstanding ordinary shares in issue and fully paid after deducting the treasury shares held was 194,759,060 (2020: 194,759,060). Treasury shares held have no rights to voting, dividends and other participation in other distribution.

18. RESERVES

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Non-distributable:				
Exchange translation reserve	20,153,049	13,246,814	-	-
Distributable:				
Retained earnings	<u>457,180,214</u>	<u>410,555,734</u>	<u>18,932,865</u>	<u>11,157,176</u>
	<u><u>477,333,263</u></u>	<u><u>423,802,548</u></u>	<u><u>18,932,865</u></u>	<u><u>11,157,176</u></u>

Notes To The Financial Statements 31 March 2021 (continued)

18. RESERVES (continued)

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.

19. DEFERRED TAX LIABILITIES

	Group	
	2021	2020
	RM	RM
Deferred tax liabilities	<u>13,082,651</u>	<u>11,725,040</u>

Notes To The Financial Statements
31 March 2021 (continued)

19. DEFERRED TAX LIABILITIES (continued)

(a) Recognised deferred tax assets/(liabilities)

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

Group	Assets		Liabilities		Net	
	2021 RM	2020 RM	2021 RM	2020 RM	2021 RM	2020 RM
Property, plant and equipment	-	-	(879,464)	(879,464)	(879,464)	(879,464)
- revaluation	-	-	(10,454,808)	(9,297,542)	(10,454,808)	(9,297,542)
- capital allowances	-	-	(1,820,474)	(1,820,474)	(1,820,474)	(1,820,474)
- fair value adjustment	-	-	(1,428,404)	(1,443,729)	(1,428,404)	(1,443,729)
Right-of-use assets	1,625,852	1,436,743	-	-	1,625,852	1,436,743
Lease liabilities	-	279,426	(125,353)	-	(125,353)	279,426
Others	1,625,852	1,716,169	(14,708,503)	(13,441,209)	(13,082,651)	(11,725,040)
Deferred tax assets/(liabilities)	1,625,852	1,716,169	(14,708,503)	(13,441,209)	(13,082,651)	(11,725,040)
Set off of tax	(1,625,852)	(1,716,169)	1,625,852	1,716,169	-	-
Net deferred tax assets/(liabilities)	-	-	(13,082,651)	(11,725,040)	(13,082,651)	(11,725,040)

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 Group entities can utilise the benefits therefrom.

Notes To The Financial Statements
31 March 2021 (continued)

19. DEFERRED TAX LIABILITIES (continued)

(b) Movement in temporary differences during the financial year

Group	Balance as at 1 April 2019 RM	Recognised in profit or loss (Note 28) RM	Exchange differences RM	Balance as at 31 March 2020/1 April 2020 RM	Recognised in profit or loss (Note 28) RM	Exchange differences RM	Balance as at 31 March 2021 RM
Property, plant and equipment							
- revaluation	(879,464)	-	-	(879,464)	-	-	(879,464)
- capital allowances	(8,654,950)	(486,783)	(155,809)	(9,297,542)	(1,015,676)	(141,590)	(10,454,808)
- fair value adjustment	(1,820,474)	-	-	(1,820,474)	-	-	(1,820,474)
Right-of-use assets	(1,727,741)	279,305	4,707	(1,443,729)	87,344	(72,019)	(1,428,404)
Lease liabilities	1,727,741	(286,291)	(4,707)	1,436,743	106,305	82,804	1,625,852
Others	1,083,267	(803,841)	-	279,426	(404,779)	-	(125,353)
	<u>(10,271,621)</u>	<u>(1,297,610)</u>	<u>(155,809)</u>	<u>(11,725,040)</u>	<u>(1,226,806)</u>	<u>(130,805)</u>	<u>(13,082,651)</u>

Notes To The Financial Statements 31 March 2021 (continued)

20. BORROWINGS

	Group	
	2021	2020
	RM	RM
<u>Current liabilities</u>		
Unsecured:		
Foreign currency trade loans	26,166,834	24,748,459

- (a) Borrowings are classified as financial liabilities measured at amortised cost.
- (b) All borrowings are denominated in United States Dollar.
- (c) The borrowings are secured by corporate guarantees by the Company as disclosed in Note 22 to the financial statements.
- (d) Information on financial risks of borrowings and its remaining maturity is disclosed in Note 33 to the financial statements.

21. TRADE AND OTHER PAYABLES

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Trade payables				
Third parties	22,445,117	14,216,134	-	-
Amounts owing to related parties	866,230	433,665	-	-
	23,311,347	14,649,799	-	-
Other payables				
Third parties	8,584,574	5,264,015	149,455	112,110
Amounts owing to related parties	11,446	100,648	-	-
Accruals	8,584,180	6,301,793	1,875,601	383,220
	17,180,200	11,666,456	2,025,056	495,330
Total trade and other payables	40,491,547	26,316,255	2,025,056	495,330

- (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 (2020: cash term and credit limit of up to 120 days).
- (c) The non-trade amounts owing to related parties represent advances which are unsecured, interest-free and repayable within next twelve (12) months in cash and cash equivalents.

Notes To The Financial Statements 31 March 2021 (continued)

21. TRADE AND OTHER PAYABLES (continued)

- (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 is as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Ringgit Malaysia	16,171,303	6,260,653	2,025,056	495,330
Euro	8,945,988	7,412,760	-	-
Great Britain Pound	12,656,917	9,957,935	-	-
United States Dollar	2,691,325	2,662,345	-	-
Others	26,014	22,562	-	-
	40,491,547	26,316,255	2,025,056	495,330

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

22. CONTINGENT LIABILITIES

Corporate guarantees - Unsecured

- (i) The Company has given corporate guarantees up to a total amount of RM68,120,000 (2020: RM68,120,000) to certain financial institutions for banking facilities granted to its subsidiaries for a limit of RM141,900,000 (2020: RM144,280,000) of which RM26,166,834 (2020: RM24,748,459) were utilised at the end of the reporting period.
- (ii) The Company has given corporate guarantee of RM11,400,000 (2020: RM10,760,000) to a supplier of its subsidiary, Higher Kings Mill Limited of which RM1,434,572 (2020: RM1,036,240) 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*.

Notes To The Financial Statements 31 March 2021 (continued)

22. CONTINGENT LIABILITIES (continued)

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.

23. REVENUE

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Revenue from contracts with customers:				
Sale of goods	258,025,425	293,289,114	-	-
Management fee from subsidiaries	-	-	3,903,784	3,649,502
Other revenue:				
Commission income	74,768	81,321	74,768	81,320
Dividend income from:				
- subsidiaries	-	-	7,190,621	7,229,149
- an associate	-	-	250,456	281,763
	<u>258,100,193</u>	<u>293,370,435</u>	<u>11,419,629</u>	<u>11,241,734</u>

Disaggregation of revenue from contracts with customers

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Timing of revenue recognition:				
Transferred over time	3,884,418	23,647,366	-	-
Transferred at a point in time	<u>254,141,007</u>	<u>269,641,748</u>	<u>3,903,784</u>	<u>3,649,502</u>
Revenue from contracts with customers	<u>258,025,425</u>	<u>293,289,114</u>	<u>3,903,784</u>	<u>3,649,502</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 and recyclable food wares is recognised at a point in time when the goods has been transferred to the customer and coincides with the delivery of goods and acceptance by customers.

Notes To The Financial Statements 31 March 2021 (continued)

23. REVENUE (continued)

(a) Sale of goods (continued)

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.

(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 fees are recognised when the management services have been rendered to the subsidiaries.

Notes To The Financial Statements 31 March 2021 (continued)

24. OTHER INCOME

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Gain on disposal of property, plant and equipment	188,255	38,920	-	-
Gain on fair value adjustments	-	2,556,359	1,797	-
Distribution income from short-term funds	1,965,797	984,938	28,792	47,129
Interest income from:				
- bank balances	69,114	383,337	1,795	8,527
- other investments	980,178	2,129,889	14,055	-
- short-term funds	253,534	16,165	1,526	1,031
Realised gain on foreign exchange	5,804,412	2,802,238	176,325	24,261
Reversal of impairment losses on trade receivables	4,171	-	-	-
Lease income	294,064	295,304	-	-
Unrealised gain on foreign exchange	-	-	-	5,510
Miscellaneous income	537,752	2,162,249	8,988	188
	<u>10,097,277</u>	<u>11,369,399</u>	<u>233,278</u>	<u>86,646</u>

(a) Interest income

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

(b) Lease income

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

25. EMPLOYEE BENEFITS

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Wages, salaries, overtime and bonuses	45,363,857	54,495,587	2,956,454	2,808,868
Contributions to defined contribution plan	3,306,799	3,726,467	355,851	338,415
Social security contributions	4,028,654	4,646,026	10,352	11,260
	<u>52,699,310</u>	<u>62,868,080</u>	<u>3,322,657</u>	<u>3,158,543</u>

Notes To The Financial Statements 31 March 2021 (continued)

26. DIRECTORS' REMUNERATION

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Directors of the Company				
Directors' fee	301,620	354,420	285,120	337,920
Salaries and other emoluments	1,668,434	1,635,159	1,668,434	1,635,159
Estimated money value of benefits-in-kind	29,500	43,500	29,500	43,500
	<u>1,999,554</u>	<u>2,033,079</u>	<u>1,983,054</u>	<u>2,016,579</u>
Directors of the subsidiaries				
Directors' fee	29,648	32,640	-	-
Salaries and other emoluments	1,161,048	1,110,403	-	-
Estimated money value of benefits-in-kind	138,451	141,740	-	-
Total Directors' remuneration	<u>3,328,701</u>	<u>3,317,862</u>	<u>1,983,054</u>	<u>2,016,579</u>

27. FINANCE COSTS

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Interest expense on:				
- foreign currency trade loans	287,175	661,299	-	-
- lease liabilities	210,125	202,847	-	-
	<u>497,300</u>	<u>864,146</u>	<u>-</u>	<u>-</u>

28. TAX EXPENSE

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Current tax expense based on profit for the financial year	3,595,913	6,551,382	76,000	37,000
(Over)/Underprovision of tax expense in prior years	(74,990)	(5,791)	73	384
	<u>3,520,923</u>	<u>6,545,591</u>	<u>76,073</u>	<u>37,384</u>
Deferred tax (Note 19):				
- relating to origination and reversal of temporary differences	1,348,806	977,610	-	-
- (over)/underprovision in prior years	(122,000)	320,000	-	-
	<u>1,226,806</u>	<u>1,297,610</u>	<u>-</u>	<u>-</u>
Tax expense for the financial year	<u>4,747,729</u>	<u>7,843,201</u>	<u>76,073</u>	<u>37,384</u>

Notes To The Financial Statements 31 March 2021 (continued)

28. TAX EXPENSE (continued)

- (a) Malaysian income tax is calculated at the statutory tax rate of 24% (2020: 24%) of the estimated taxable profit for the fiscal year.
- (b) Tax expense for other taxation authorities are calculated at the rates prevailing in those respective jurisdictions.
- (c) The numerical reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rates of the Group and of the Company are as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Profit before tax	51,359,729	44,707,895	7,851,762	7,640,479
Less: Share of results of equity-accounted associate, net of tax	(22,264,847)	(8,999,618)	-	-
	<u>29,094,882</u>	<u>35,708,277</u>	<u>7,851,762</u>	<u>7,640,479</u>
Tax at the applicable tax rate of 24% (2020:24%)	6,982,771	8,569,986	1,884,423	1,833,715
Tax effects in respect of:				
- different tax rates in foreign jurisdictions	322,628	(228,381)	-	-
- expenses not deductible for tax purpose	831,922	963,622	28,151	25,209
- income not subject to tax	(2,003,280)	(1,568,299)	(1,836,844)	(1,821,565)
Investment tax allowance	(1,186,620)	(204,527)	-	-
Others	(2,702)	(3,409)	270	(359)
(Over)/Underprovision in prior years				
- income tax	(74,990)	(5,791)	73	384
- deferred tax	(122,000)	320,000	-	-
	<u>4,747,729</u>	<u>7,843,201</u>	<u>76,073</u>	<u>37,384</u>

Notes To The Financial Statements 31 March 2021 (continued)

28. TAX EXPENSE (continued)

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

Group	Before tax RM	Tax effect RM	After tax RM
2021			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translations	6,017,704	-	6,017,704
Items that will not be reclassified subsequently to profit or loss			
Share of other comprehensive income of equity-accounted associate	936,188	-	936,188
2020			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translations	4,191,486	-	4,191,486
Items that will not be reclassified subsequently to profit or loss			
Share of other comprehensive loss of equity-accounted associate	(199,453)	-	(199,453)

29. EARNINGS PER 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.

	Group	
	2021	2020
Profit for the financial year attributable to equity holders of the parent (RM)	46,624,480	36,858,223
Weighted average number of ordinary shares in issue (unit)	194,759,560	194,759,560
Effect of treasury shares held (unit)	(500)	(500)
	194,759,060	194,759,060
Basic earnings per ordinary share (sen)	23.94	18.93

Notes To The Financial Statements 31 March 2021 (continued)

29. EARNINGS PER SHARE (continued)

(b) Diluted

Diluted earnings per share equals basic earnings per share because there is no potential dilutive instruments in existence as at the end of each reporting period.

30. DIVIDENDS

	Group and Company 2020	
	Dividend per share sen	Amount of dividend RM
In respect of financial year ended 31 March 2019:		
Final dividend	7.00	13,633,134

No dividend has been declared or paid by the Company during the financial year.

The Directors recommend a single-tier final dividend of 1.50 sen per ordinary share, amounting to RM2,921,386 in respect of the financial year ended 31 March 2021, subject to the approval of members at the forthcoming Annual General Meeting.

The financial statements for the financial year ended 31 March 2021 do not reflect this proposed final cash dividend. The proposed final cash dividend shall be accounted for as an appropriation of retained earnings in the financial year ending 31 March 2022.

Notes To The Financial Statements 31 March 2021 (continued)

31. CAPITAL COMMITMENTS

	Group	
	2021	2020
	RM	RM
Capital expenditure in respect of purchase of property, plant and equipment:		
Contracted but not provided for	1,858,000	3,072,000

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. R.C. 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 2021 (continued)

32. RELATED PARTY DISCLOSURES (continued)

- (b) 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	
	2021	2020
	RM	RM
An associate		
Dividend received	2,443,500	2,748,938
Related parties		
Purchases:		
- Asia Educational Supplies Sdn. Bhd.	33,447	49,676
- Dynamic Consulting & Engineering Sdn. Bhd.	36,431	154,195
- Dynamic Office Sdn. Bhd.	42,573	62,798
- Federal Packages Sdn. Bhd.	1,500,897	1,835,088
- Muda Paper Mills Sdn. Bhd.	838,373	2,062
Sales:		
- Asia Educational Supplies Sdn. Bhd.	114,845	158,059
- Dynamic Office Sdn. Bhd.	3,800	6,345
Consultancy fee paid to a Company in which a Director of a subsidiary has a substantial financial interest	117,652	169,453
Lease payment to a Director of a subsidiary	9,600	9,600
Company		
	2021	2020
	RM	RM
An associate		
Dividend income	250,456	281,763
Subsidiaries		
Dividend income	7,190,621	7,229,149
Management fee	3,903,784	3,649,502

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

Information regarding outstanding balances arising from related party transactions as at 31 March 2021 are disclosed in Notes 11 and 21 to the financial statements.

- (c) Compensation of key management personnel

The key management personnel comprise the Directors of the Group and their remuneration during the financial year are disclosed in Note 26 to the financial statements.

Notes To The Financial Statements 31 March 2021 (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 debts. The Group includes within net debt, borrowings, lease liabilities, trade and other payables, cash and bank balances, short-term funds and other investments. Capital includes equity attributable to owners of the parent.

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Short-term funds	67,194,278	72,429,655	5,663,566	1,276,451
Cash and bank balances	215,197,587	157,690,300	4,216,400	3,011,241
Other investments	-	7,691,200	-	-
Less: Borrowings	(26,166,834)	(24,748,459)	-	-
Lease liabilities	(6,774,383)	(5,986,429)	-	-
Trade and other payables	(40,491,547)	(26,316,255)	(2,025,056)	(495,330)
Net cash	<u>208,959,101</u>	<u>180,760,012</u>	<u>7,854,910</u>	<u>3,792,362</u>
Total capital	679,661,700	626,130,985	221,261,302	213,485,613
Net cash	<u>(208,959,101)</u>	<u>(180,760,012)</u>	<u>(7,854,910)</u>	<u>(3,792,362)</u>
Equity	<u>470,702,599</u>	<u>445,370,973</u>	<u>213,406,392</u>	<u>209,693,251</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, if any) 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 2021.

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

Notes To The Financial Statements

31 March 2021 (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, foreign currency risk and market 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, short-term funds 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.

(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.

Notes To The Financial Statements 31 March 2021 (continued)

33. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

(b) Financial risk management (continued)

(ii) Liquidity and cash flow risk (continued)

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.

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	
As at 31 March 2021				
Group				
Financial liabilities:				
Trade and other payables	40,491,547	-	40,491,547	
Borrowings	26,192,841	-	26,192,841	
Lease liabilities	1,755,190	5,478,543	7,233,733	
Total undiscounted financial liabilities	<u>68,439,578</u>	<u>5,478,543</u>	<u>73,918,121</u>	
Company				
Financial liabilities:				
Trade and other payables	2,025,056	-	2,025,056	
Corporate guarantees *	27,601,406	-	27,601,406	
Total undiscounted financial liabilities	<u>29,626,462</u>	<u>-</u>	<u>29,626,462</u>	
	On demand or within one (1) year RM	One (1) to five (5) years RM	Over five (5) years RM	Total RM
As at 31 March 2020				
Group				
Financial liabilities:				
Trade and other payables	26,316,255	-	-	26,316,255
Borrowings	24,817,485	-	-	24,817,485
Lease liabilities	922,710	6,040,552	113,013	7,076,275
Total undiscounted financial liabilities	<u>52,056,450</u>	<u>6,040,552</u>	<u>113,013</u>	<u>58,210,015</u>

Notes To The Financial Statements 31 March 2021 (continued)

33. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

(b) Financial risk management (continued)

(ii) Liquidity and cash flow risk (continued)

	On demand or within one (1) year RM	One (1) to five (5) years RM	Over five (5) years RM	Total RM
As at 31 March 2020				
Company				
Financial liabilities:				
Trade and other payables	495,330	-	-	495,330
Corporate guarantees *	25,784,699	-	-	25,784,699
Total undiscounted financial liabilities	26,280,029	-	-	26,280,029

* 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.

(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 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.

**Notes To The Financial Statements
31 March 2021 (continued)**

33. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

(b) Financial risk management (continued)

(iii) Interest rate risk (continued)

The following tables set out the carrying amounts, the interest rates and incremental borrowing rate 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	Note	Interest rates/ Incremental borrowing rate %	Within					Total RM
			1 year RM	1 - 2 years RM	2 - 5 years RM	> 5 years RM		
Fixed rates								
At 31 March 2021								
Borrowings	20	0.76 - 1.00	(26,166,834)	-	-	-	(26,166,834)	
Lease liabilities	6	3.05	(1,565,741)	(1,627,002)	(3,581,640)	-	(6,774,383)	
Deposits with licensed banks	15	0.20 - 1.50	27,155,408	-	-	-	27,155,408	
At 31 March 2020								
Borrowings	20	1.14 - 2.35	(24,748,459)	-	-	-	(24,748,459)	
Lease liabilities	6	3.05	(564,118)	(1,267,442)	(4,042,431)	(112,438)	(5,986,429)	
Deposits with licensed banks	15	0.10 - 1.50	69,898,925	-	-	-	69,898,925	
Company								
Fixed rates								
At 31 March 2020								
Deposits with licensed banks	15	0.10	2,888,701	-	-	-	2,888,701	

Notes To The Financial Statements 31 March 2021 (continued)

33. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

(b) Financial risk management (continued)

(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 currencies giving rise to this risk are primarily Euro ('EUR'), Great Britain Pound ('GBP') and United States Dollar ('USD').

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 2021 and 31 March 2020.

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)	
		2021	2020
		RM	RM
Group			
EUR/RM	- Strengthened by 10%	11,021,645	3,896,741
	- Weakened by 10%	<u>(11,021,645)</u>	<u>(3,896,741)</u>
GBP/RM	- Strengthened by 10%	5,776,058	8,711,707
	- Weakened by 10%	<u>(5,776,058)</u>	<u>(8,711,707)</u>
USD/RM	- Strengthened by 10%	(1,798,307)	(1,024,012)
	- Weakened by 10%	<u>1,798,307</u>	<u>1,024,012</u>
Company			
EUR/RM	- Strengthened by 10%	281,678	-
	- Weakened by 10%	<u>(281,678)</u>	<u>-</u>
GBP/RM	- Strengthened by 10%	24,280	225,287
	- Weakened by 10%	<u>(24,280)</u>	<u>(225,287)</u>

Notes To The Financial Statements 31 March 2021 (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)

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

(v) Market risk

Market risk is the risk that the fair value or future cash flows of the financial instruments of the Group and of the Company would fluctuate because of changes in quoted prices (other than interest or exchange rates).

The Group and the Company are exposed to market risk primarily arising from placements in short-term funds as at the end of the reporting period and equity-linked investments held by the Group in the previous financial year. The return of other investments was affected by the movement of the equity price of the underlying asset. The short-term funds are held mainly to manage free cash flows and optimise working capital rather than for trading purposes. These instruments are classified as financial assets designated at fair value through profit or loss.

To manage the price risk arising from placements in short-term funds and other investments, the Group and the Company diversify their portfolio in accordance with the limits set by the Group.

The following table demonstrates the sensitivity analysis of the profit after tax of the Group and of the Company if the asset value had been one percent (1%) higher or lower arising as a result of higher or lower fair value gains on short-term funds and other investments, both designated at fair value through profit or loss, with all other variables held constant.

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Profit after tax				
- increase by 1%	510,677	608,918	43,043	9,701
- decrease by 1%	<u>(510,677)</u>	<u>(608,918)</u>	<u>(43,043)</u>	<u>(9,701)</u>

Notes To The Financial Statements 31 March 2021 (continued)

33. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

(c) Determination of fair value

The methods and assumptions used to estimate fair values of financial assets and financial liabilities are as follows:

Financial instruments that are not carried at fair value and whose carrying amounts are a reasonable approximation of fair values

The carrying amounts of financial assets and liabilities, such as current trade and other receivables, cash and bank balances, trade and other payables and short-term borrowings are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

The carrying amount of the non-current other receivable is a reasonable approximation of fair value due to the insignificant impact of discounting.

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>Amendments to References to the Conceptual Framework in MFRS Standards</i>	1 January 2020
<i>Amendments to MFRS 3 Definition of a Business</i>	1 January 2020
<i>Amendments to MFRS 101 and MFRS 108 Definition of Material</i>	1 January 2020
<i>Amendments to MFRS 9, MFRS 139 and MFRS 7 Interest Rate Benchmark Reform</i>	1 January 2020

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

Notes To The Financial Statements 31 March 2021 (continued)

34. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (continued)

34.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2021

Title	Effective Date
Amendments to MFRS 16 <i>COVID-19-Related Rent Concessions</i>	1 June 2020
Amendments to MFRS 4 <i>Insurance Contracts - Extension of the Temporary Exemption from Applying MFRS 9</i>	17 August 2020
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 <i>Interest Rate Benchmark Reform - Phase 2 Covid-19 Related Rent Concessions beyond 30 June 2021 (Amendment to MFRS 16 Leases)</i>	1 January 2021 1 April 2021
Annual improvements to MFRS Standards 2018 - 2020	1 January 2022
Amendments to MFRS 3 <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 116 <i>Property, Plant and Equipment - Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137 <i>Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts Disclosure of Accounting Policies (Amendments to MFRS 101 Presentation of Financial Statements)</i>	1 January 2023
<i>Definition of Accounting Estimates (Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors)</i>	1 January 2023
Amendments to MFRS 112 <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group and the Company do not expect the adoption of the above Standards to have a significant impact on the financial statements.

35. FINANCIAL REPORTING UPDATES

IFRIC Agenda Decision - An assessment of the lease term (IFRS 16)

The IFRS Interpretations Committee ('IFRIC') issued a final agenda decision on 26 November 2019 regarding 'Lease term and useful life of leasehold improvements (IFRS 16 and IAS 16)'.

The submission to the IFRIC raised a question pertaining the determination of the lease term of a cancellable lease or a renewable lease based on the requirements of IFRS 16.B34.

Based on the final agenda decision, the IFRIC concluded that the determination of the enforceable period of a lease and the lease term itself shall include broad economic circumstances beyond purely commercial terms.

Notes To The Financial Statements 31 March 2021 (continued)

35. FINANCIAL REPORTING UPDATES (continued)

IFRIC Agenda Decision - An assessment of the lease term (IFRS 16) (continued)

The Group has implemented the requirements of this final agenda decision during the financial year ended 31 March 2021. There is no material impact on the financial statements of the Group as at the end of reporting period.

36. COMPARATIVE FIGURES

Comparative figures relating to right-of-use asset and investment properties of the Group have been reclassified to conform to the current year's presentation so as to reflect appropriate presentation of the financial statements of the Group.

	As previously reported RM	Re- classification RM	As reclassified RM
Statements of Financial Position			
<u>Non-current assets</u>			
Right-of-use assets	7,382,985	(241,276)	7,141,709
Investment properties	1,263,478	241,276	1,504,754
	1,263,478	241,276	1,504,754
Statements of Cash Flows			
<u>Cash flows from operating activities</u>			
Depreciation of:			
- right-of-use assets	1,203,089	(6,894)	1,196,195
- investment properties	41,331	6,894	48,225
	41,331	6,894	48,225

37. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The World Health Organisation declared the 2019 Novel Coronavirus infection ('COVID-19') a pandemic on 11 March 2020. The COVID-19 pandemic has caused disruptions to businesses and various macroeconomics globally due to lockdown measures implemented by most countries including countries which the Group has business operations.

During the lockdowns in numerous countries, the Group managed to demonstrate resilience and adaptability through growth in profits. The Group's profitability is supported by higher share of profit of its associate, higher sales achieved by its newly diversified business, namely consumer and food ware products and the new marketing approach on digital platform. The Group remained optimistic on the long-term prospect of its business segments.

Based on the assessment and information available at the date of authorisation of the financial statements, the Group and the Company have sufficient cash flows and undrawn facilities to meet their liquidity needs in the next twelve (12) months after the end of the reporting period. The Group and the Company will continue to actively monitor and manage its funds and operations to minimise any impact from the COVID-19 pandemic.

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	2,442	Freehold	30	6,007	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	26	7,999	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	26	760	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	26	697	April 2000 (*)
05) Lot 1310, Mukim 14, Daerah Seberang Prai Tengah, Penang	Office, Factory cum warehouse	27,688.91	Freehold	30	10,534	March 2004 (*)
06) PT 43263, H.S.(D) 128696 Mukim Petaling, Daerah Petaling, Selangor	Office, Factory cum warehouse	2,023	Freehold	15	2,201	April 2004 (*)
07) Kasseler Landstraße 12 D-37213 Witzhausen Germany	Office, Factory cum warehouse	11,983	Freehold	48	4,433	January 2008 (*)
08) Zur Furthmühle 4 D-37318 Kirchgandern Germany	Office, Factory cum warehouse	21,840	Freehold	30	9,001	January 2008 (*) March 2009 (*) (Additional Warehouse)
09) Cullompton, Devon EX 15 1Q3 United Kingdom	Office, Factory cum warehouse	52,609	Freehold	-	5,900	September 2011 (*) March 2013 (*) (Additional Warehouse)
10) Ashton Road Denton, Manchester M34 3LR United Kingdom	Office, Factory cum warehouse	18,000	Freehold	-	3,350	April 2012 (*)
11) Lot 1309, Mukim 14, Daerah Seberang Prai Tengah, Penang	Office, Factory cum warehouse	30,495	Freehold	30	10,023	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	4	5,529	September 2017 (*)

Shareholding Statistics As At 30 July 2021

ISSUED SHARE CAPITAL	:	RM194,759,560 <i>(inclusive of 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	69	2,929	0.0015
100 - 1,000	334	240,712	0.1236
1,001 - 10,000	1,341	6,317,198	3.2436
10,001 - 100,000	531	16,224,829	8.3307
100,001 - 9,737,977	81	50,576,341	25.9686
9,737,978 to 194,759,560	2	121,397,551	62.3320
TOTAL	2,358	194,759,560	100.0000

Shareholding Statistics As At 30 July 2021 (continued)

THIRTY LARGEST DEPOSITORS AS AT 30 JULY 2021

	NAME	NO. OF SHARES	% OF ISSUED CAPITAL
1	PRESTIGE ELEGANCE (M) SDN BHD	83,738,951	42.9961
2	AMANAHRAYA TRUSTEES BERHAD AMANAHA SAHAM BUMIPUTERA	37,658,600	19.3359
3	CARTABAN NOMINEES (ASING) SDN BHD BBH AND CO BOSTON FOR FIDELITY PURITAN TRUST: FIDELITY SERIES INTRINSIC OPPORTUNITIES FUND	5,300,100	2.7214
4	CARTABAN NOMINEES (ASING) SDN BHD BBH AND CO BOSTON FOR FIDELITY LOW- PRICED STOCK FUND (PRIN ALLSEC SUB)	4,500,000	2.3105
5	LIM SIEW LEE	4,122,560	2.1167
6	LIM SOON HEE	4,117,996	2.1144
7	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 1)	3,579,840	1.8381
8	LIM SOON HUAT	2,882,955	1.4803
9	KHOO SAW SIM	2,588,672	1.3292
10	LIM SOON WAH	2,138,870	1.0982
11	CARTABAN NOMINEES (ASING) SDN BHD SSBT FUND F9LJ FOR FIDELITY GLOBAL INTRINSIC VALUE INVESTMENT TRUST	1,752,600	0.8999
12	GOH PHAIK NGOH	1,333,772	0.6848
13	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEGGED SECURITIES ACCOUNT FOR WONG YEE HUI (KLC/KEN)	917,400	0.4710
14	FOO NIAN CHOU	835,584	0.4290
15	CIMB GROUP NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR DBS BANK LTD (SFS)	732,800	0.3763
16	CARTABAN NOMINEES (ASING) SDN BHD BBH AND CO BOSTON FOR FIDELITY LOW - PRICED STOCK COMMINGLEDPOOL	651,160	0.3343

Shareholding Statistics As At 30 July 2021 (continued)

THIRTY LARGEST DEPOSITORS AS AT 30 JULY 2021 (continued)

	NAME	NO. OF SHARES	% OF ISSUED CAPITAL
17	BEH PHAIK HOOI	643,528	0.3304
18	LIM SOON WAH	500,000	0.2567
19	RHB NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR LIM SOON WAH	500,000	0.2567
20	OH PHAIK WEE	418,080	0.2147
21	HLIB NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR KONG TIAM (CCTS)	390,000	0.2002
22	DB (MALAYSIA) NOMINEE (ASING) SDN BHD THE BANK OF NEW YORK MELLON FOR FIDELITY PURITAN TRUST - FIDELITY LOW- PRICED STOCK K6 FUND	361,200	0.1855
23	GOH YU TIAN	355,100	0.1823
24	CHEONG YUEN LAI	350,000	0.1797
25	WONG LOK JEE @ ONG LOK JEE	350,000	0.1797
26	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR OH HAW KUANG (PENANG-CL)	349,692	0.1796
27	LUCY KHOO	334,360	0.1717
28	LIM PEI TIAM @ LIAM AHAT KIAT	333,000	0.1710
29	AFFIN HWANG NOMINEES (ASING) SDN BHD DBS VICKERS SECS (S) PTE LTD FOR ASIA HUMANISTIC CAPITAL INC	325,000	0.1669
30	SUSY DING	325,000	0.1669
		162,386,820	83.3781

Analysis Of Shareholding As At 30 July 2021

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	1.329	83,738,951 ^(b)	43.000
2.	Dato' Lim Soon Huat	2,882,955	1.480	83,738,951 ^(b)	43.000
3.	Prestige Elegance (M) Sdn Bhd	83,738,951	43.000	-	-
4.	AmanahRaya Trustees Berhad - Amanah Saham Bumiputra	37,658,600	19.336	-	-
5.	FMR LLC	-	-	12,879,691 ^(c)	6.613
6.	Fidelity Management & Research Company LLC	-	-	12,832,891 ^(d)	6.589
7.	Abigail P. Johnson	-	-	12,879,691 ^(e)	6.613

(a) This excluded treasury shares.

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

(c) Deemed interest via various investment accounts managed by FMR LLC

(d) Deemed interest via various investment accounts managed by Fidelity Management & Research Company LLC or its subsidiaries

(e) Deemed interest via FMR LLC 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	2,882,955	1.480	88,116,911 ^(b)	45.244
2.	Nurjannah Binti Ali	-	-	-	-
3.	Lam Voon Kean	-	-	-	-
4.	Ng Chin Nam	-	-	-	-

(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.

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-Seventh (27th) Annual General Meeting (“AGM”) of shareholders of **ASIA FILE CORPORATION BHD.** (“AFC” or “the Company”) will be conducted on a fully virtual basis vide the online meeting platform at www.agriteum.com.my on Thursday, 30 September 2021 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 year ended 31 March 2021 and the Reports of Directors and Auditors thereon.
2. To re-elect the following Director who retire pursuant to Clause 88 of the Company’s Constitution and who, being eligible offer herself for re-election:
(a) Madam Lam Voon Kean Ordinary Resolution 1
3. To approve the payment of Directors’ fee and benefits payable up to RM550,000 for the period commencing this AGM through to the next AGM of the Company in year 2022. Ordinary Resolution 2
4. To approve a final single tier dividend of 1.5 sen per ordinary share for the year ended 31 March 2021. Ordinary Resolution 3
5. To re-appoint BDO PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. Ordinary Resolution 4

As Special Business:

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

6. **AUTHORITY TO ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016**
“THAT pursuant to Sections 75 and 76 of the Companies Act 2016 (“the Act”) and subject always to the approval of all the relevant regulatory authorities, the Board of Directors of the Company be and is hereby authorised to issue and allot from time to time such number of ordinary shares of the Company upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, PROVIDED ALWAYS THAT the aggregate number of ordinary shares to be issued pursuant to this resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being AND THAT the Directors are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting (“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.” Ordinary Resolution 5
7. **PROPOSED RENEWAL OF AUTHORITY TO BUY BACK ITS OWN SHARES BY THE COMPANY**
“THAT subject to the compliance with all applicable rules, regulations and orders Ordinary Resolution 6

Notice Of Annual General Meeting (continued)

made pursuant to the Act, provisions of the Constitution of the Company and the requirements of the Bursa Malaysia Securities Berhad (“Bursa Securities”) and any other approvals from all relevant governmental and/or regulatory authorities, 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 RM18.93 million as at 31 March 2021 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 to 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) to retain part of the Asia File Shares so purchased as treasury shares and cancel the remainder;
 - (d) 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.”

8. RETENTION AS INDEPENDENT DIRECTOR

“THAT Puan Nurjannah Binti Ali 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.”

Ordinary Resolution 7

9. RETENTION AS INDEPENDENT DIRECTOR

“THAT Mr. Ng Chin Nam 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.”

Ordinary Resolution 8

Notice Of Annual General Meeting (continued)

10. 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 p.m. on 6 October 2021 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 28 October 2021 to depositors registered in the Records of Depositors at the close of business on 6 October 2021.

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, 30 August 2021

Notes:

1. Virtual Annual General Meeting ("AGM")

- (a) The 27th AGM of the Company will be conducted on a fully virtual basis through live streaming and Remote Participation and Voting ("RPV") facilities. Please refer to the Administrative Guide for the 27th AGM for the procedures to register, participate and vote remotely via the RPV facilities.
- (b) For the purpose of complying with Section 327(2) of the Companies Act 2016, the Chairman of the meeting is required to be present at the main venue of the AGM. Members/Proxies/Corporate Representatives will not be allowed to attend this AGM in person at the broadcast venue on the day of the AGM.

2. Appointment of Proxy

- (a) A Member may appoint up to 2 proxies to attend and vote at the virtual 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 22 September 2021 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy to attend and/or vote in his/her behalf.

3. Explanatory Notes:

(a) Ordinary Resolution 2: Payment of Directors' fee and benefits

The proposed Ordinary Resolution 2, if passed, will facilitate the payment of the Directors' fee and benefits payable to the Directors for the period commencing this AGM through the next AGM of the Company in 2022. Details of the Directors' fee and benefits payable to the Directors for the financial year ended 31 March 2021 are enumerated under the Corporate Governance Report.

The Directors' fee and benefits proposed for the period commencing this AGM through to the next AGM are calculated based on the number of scheduled Board's and Board Committees' meetings. The Board will seek approval from the shareholders

Notice Of Annual General Meeting (continued)

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.

(b) **Ordinary Resolution 5: Authority to Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016**

The proposed Ordinary Resolution 5 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.

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 28 September 2020 and which will lapse at the conclusion of this Twenty-Seventh AGM.

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.

(c) **Ordinary Resolution 6: Proposed Renewal of Authority To Buy Back Its Own Shares By The Company**

The Ordinary Resolution 6, 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.

(d) **Ordinary Resolutions 7 and 8: Retention As Independent Director**

The Ordinary Resolutions 7 and 8, if passed, will allow Puan Nurjannah Binti Ali and Mr. Ng Chin Nam to be retained and continue acting as Independent Director to fulfill the requirements of Paragraph 3.04 of the Bursa Securities' Main Market Listing Requirements and in line with the Practice 4.2 of the Malaysian Code on Corporate Governance issued by the Securities Commission on 26 April 2017. Full details of the Board's justifications and recommendation for the retention of Puan Nurjannah Binti Ali and Mr. Ng Chin Nam are set out under the Corporate Governance Overview Statement in the Company's Annual Report 2021.

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-Seventh Annual General Meeting of the Company.

ASIA FILE CORPORATION BHD
(Registration No. 199401027510 (313192-P))

FORM OF PROXY

CDS Account No.	
-----------------	--

No. of Shares Held	
--------------------	--

I*/We* _____
(Full name in Block Letters and NRIC / Company No.)

of _____ being a member*/
(Address)

members* of **Asia File Corporation Bhd** hereby appoint

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

* and/or (*delete if not applicable)

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

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 27th Annual General Meeting of the Company to be conducted on a fully virtual basis vide the online platform at www.agriteum.com.my on Thursday, 30 September 2021 at 10.00 a.m. and at any adjournment thereof.

	Ordinary Resolutions							
	1	2	3	4	5	6	7	8
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 _____ 2021

Signature of Shareholder

Common Seal to be affixed here if
Shareholder is a Corporation

Notes:

Virtual Annual General Meeting ("AGM")

1. The 27th AGM of the Company will be conducted on a fully virtual basis through live streaming and Remote Participation and Voting ("RPV") facilities. Please refer to the Administrative Guide for the procedures to register, participate and vote remotely via the RPV facilities.
2. For the purpose of complying with Section 327(2) of the Companies Act 2016, the Chairman of the Meeting is required to be present at the main venue of the AGM. Members/Proxies/Corporate Representatives will not be allowed to attend this AGM in person at the broadcast venue on the day of the AGM.



Appointment of Proxy

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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 22 September 2021 (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 27th 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.

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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

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Asia File Corporation Bhd.

Registration No. 199401027510 (313192P)

Plot 16, Kawasan Perindustrian Bayan Lepas, Fasa IV, Mukim 12, Bayan Lepas, 11900 Penang, Malaysia.

Tel: 04-642 6601 Fax: 04-642 6602 Website: www.asia-file.com