



ASIA FILE CORPORATION BHD.



2024

ANNUAL REPORT

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Corporate Information

Board Of Directors

Dato' Lim Soon Huat
(Executive Chairman)

Lam Voon Kean
(Independent Non-Executive Director)

Chua Hooi Luan
(Independent Non-Executive Director)

Lee Thean Yew (appointed on 30 June 2023)
(Independent Non-Executive Director)

Company Secretaries

Yeow Sze Min
(MAICSA 7065735) (SSM PC No. 201908003120)

Low Seow Wei
(MAICSA 7053500) (SSM PC No. 202008000437)

Registered Office

Suite 18.05, MWE Plaza,
No. 8, Lebuhr Farquhar,
10200 George Town, Pulau Pinang.
Tel : 04-263 1966 Fax : 04-262 8544
Email: info@sshbs.com.my

Registrar

Securities Services (Holdings) Sdn Bhd (Penang)
197701005827 (36869-T)
Suite 18.05, MWE Plaza,
No. 8, Lebuhr Farquhar,
10200 George Town, Pulau Pinang.
Tel : 04-263 1966 Fax : 04-262 8544
Email: info@sshbs.com.my

Principal Place of Business

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

Stock Exchange Listing

Main Market of Bursa Malaysia Securities Berhad

Auditors

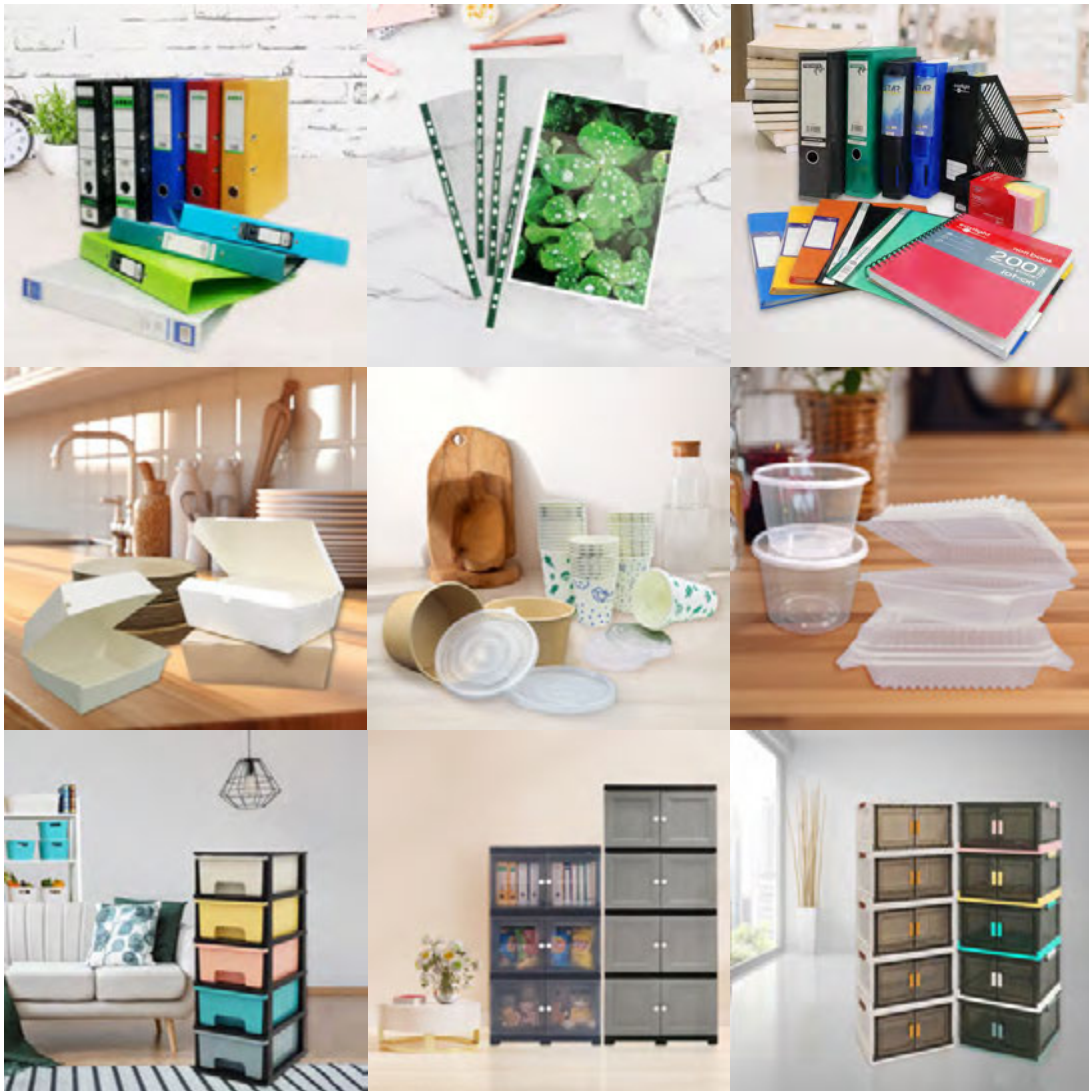
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Management Discussion and Analysis

Introduction

Listed on the Bursa Malaysia in 1996, Asia File Corporation Bhd. (“AFC”) and its subsidiaries (“the Group”) started its business journey as a reputable files manufacturing company. The core product category offered by the Group covers a wide range of filing products and filing accessories made mainly from quality paperboard, plastics and metals.

The Group has made prominent footprint across the globe with its major markets cover Europe, North America, Australia, New Zealand, Middle East, Africa and Asia Pacific. The Group’s premier brand “ABBAware” is a popular brand name among the consumers for their filing needs over the past decades. Over the years, the Group has diversified its product offerings to meet evolving consumer demands, branching out into Consumer and Food ware segments under the brand name “ABBAware”. This expansion has bolstered the Group’s standing in the market and solidified its reputation as a reputable manufacturer of consumer products excels in quality and reliability.



Management Discussion and Analysis (continued)

Headquartered in Penang, Malaysia, the Group operates a robust network of operational facilities spanning across various regions. The Group's facilities include:

- Seven production and warehousing sites located in Malaysia, serving as key hubs for manufacturing and distribution within the region.
- Two manufacturing plants and one paper mill situated in the United Kingdom, contributing significantly to Group's global production capabilities. The paper mill, in particular, specializes in the production of coloured paper and board, catering not only to internal needs but also serving external customers in the filing industry, educational sector, and other specialty markets.
- Two manufacturing facilities established in Germany, further enhancing AFC's manufacturing capacity and market presence in Europe.

With this extensive network of facilities strategically positioned across Malaysia, the United Kingdom, and Germany, the Group is well-equipped to meet the diverse needs of its global clientele while maintaining high standards of quality, efficiency and flexibilities in its operations.

Financial Overview

	FY 2024 RM'000	FY 2023 RM'000
Revenue	294,235	317,565
Results from operations	52,322	48,030
Operating margin (%)	17.78%	15.12%
Share of loss of associate	(1,096)	(8,665)
Finance costs	(119)	(224)
Interest and distribution income	13,620	4,679
Profit before tax ("PBT")	64,727	43,820
PBT %	22.00%	13.80%
Tax expense	(12,533)	(12,108)
Profit after tax ("PAT")	52,194	31,712
PAT %	17.74%	9.99%
Shareholders' fund	791,961	748,139
Short-term funds, cash and bank balances	321,787	249,075
Net asset per share (sen)	406.63	384.03

Management Discussion and Analysis (continued)

For the financial year ended 31 March 2024, total revenue reported was RM 294.24 million which represented a decrease of 7.35% when compared to RM 317.57 million achieved one year ago. The shift towards digital technologies and increased reliance on electronic documentation has impacted the performance of the filing division which saw its revenue dropped by 7.73% to RM 247.18 million during the year. Despite facing these challenges, the Group displayed resilience by taking proactive measures to drive revenue growth. We have continued to innovate and through sheer hard work and perseverance, we have successfully diversified our traditional filing business to encompass a wider range of products within the Consumer and Food ware division.

Through an in-depth market study and evaluation, the Group has successfully launched a range of new products particularly in the Consumer and Food ware division. Despite experiencing a 5.26% decline in revenue to RM 46.97 million within the Consumer & Food ware division, attributed to lower demand of food ware post Covid pandemic, there was a noticeable 11.44% increase in turnover from the above division during the second half of the year.

Recognizing the importance of E-Commerce in promoting our consumer products and also in enhancing our market relevance, the Group has executed a series of strategic marketing initiatives to deepen our product penetration and visibility on the various online platforms. We have also ventured into live streaming in order to engage more effectively with our audiences and customers. We have witnessed with pride the success launching of our new product ranges which has proven to be the preferred choices among the general shoppers attracted by our innovative design, versatile functionality, premium quality and affordable pricing. Over the past financial year, we have launched several new storage solutions that have been met with great enthusiasm. The success of our newly launched storage solutions, including cabinets and vertical boxes, has been particularly noteworthy as we have successfully emerged as one of the top three sellers under these particular categories despite being relatively new in the market as compared to other more established players in the industry. This has also brought the popularity of our “ABBAware” products to a new height as our brand name of “ABBA” had long been associated with premium quality. We are proud to highlight that our online store has consistently ranked within the top three (3) on Shopee for several categories such as chairs, shoeboxes and storage boxes. Our followers’ base on Shopee has also nearly tripled since March 2023, showcasing the growing popularity and trust in our brands and products.

Operating Profits

Despite a lower revenue, our operating profit expanded by 8.93% to RM 52.32 million from RM 48.03 million registered one year ago. The Group’s operating margin continues to exhibit positive trajectory by achieving a healthy margin of 17.78% up from 15.12% recorded one year ago. This improvement reflects our agility and resilience to continue delivering positive and consistent performance despite the challenging landscape the Group operates in. Our focus on cost optimization and operational efficiency has been instrumental in maintaining our competitiveness in the market, especially considering the price sensitivity of consumer products. Additionally, favorable exchange factor and strategic management of forex exposure have contributed to the enhancement of our operating margin for the year.

Management Discussion and Analysis (continued)

Profit Before Tax

On top of an improved operating margin, the Group has also benefited from higher investing income especially interest income earned on the back of a stronger cash position. Furthermore, there has been a significant reduction in share of loss of associate from RM 8.67 million in FY 2023 to only RM 1.10 million in FY 2024. As a result, profit before tax has showed a remarkable jump of 47.72% rising from RM 43.82 million to RM 64.73 million. The pre-tax margin has also experienced a substantial growth, reaching 22.00% as compared to 13.80% recorded in the previous year.

Capital Expenditure, Liquidity and Capital Structure

During the year, a total capital expenditure of RM 6.78 million was invested, with RM 5.04 million allocated towards the acquisition of various plants and machineries. The above capital expenditure was funded through internal fund.

The Group continues to strengthen its cash flow position with a net positive cash inflow of RM 83.39 million achieved for the year despite a much higher dividend payout of RM 13.62 million as opposed to only RM 3.90 million disbursed during FY 2023. At the end of the financial year, the Group's total cash and bank balances and short-term funds stood at RM 321.79 million, representing a 29.20% increase from previous year's amount of RM 249.07 million. Notably, the Group has no bank borrowings as at balance sheet date.

When compared with the last financial year, the Group's total assets increased from RM 801.72 million to RM 852.99 million while total equity surged from RM 748.68 million to RM 792.69 million. Net assets per share rose by 5.88% from 384.03 sen to 406.63 sen.

Dividends

In respect of FY 2024, the Group has paid out two (2) interim dividends totaling 7.0 sen. A final dividend of another 3.5 sen has been proposed, the payment of which will be subject to shareholders' approval. This has brought the total dividend rate for FY 2024 to 10.5 sen, surpassing 3.5 sen declared for FY 2023.

Anticipated Risks

Advancement of Digitalization

The rise of digitalization and the shift towards electronic record-keeping has revolutionized information storage and access. The availability of cloud-based solutions and document management systems may lessen the need for physical files in the future. As more businesses and individuals adopt digital storage and e-filing, the demand for traditional physical files may decline over time.

Management Discussion and Analysis (continued)

To address this risk, the Group has diversified its operations by venturing into recyclable consumer and food ware segments. Through strategic marketing, the Group has established itself as a key player in this industry. As the Group embarks on its various product expansion plans as well as broadening its geographical outreach for this new product category, the Group aims to achieve long-term sustainable growth.

Escalating Operation Cost

Increased tensions in the Middle East and Red Sea crisis may disrupt maritime routes, potentially causing delays in the shipment of goods and result in increased freight cost. This will no doubt impact the Group's operation as it has to import certain materials from overseas while exporting some of its products to international markets.

In light of the above, the Group will continuously review and re-strategize its operation by leveraging on its multiple manufacturing facilities across different geographical sites and making necessary operational changes to mitigate rising costs.

Supply Chain Disruption

The manufacturing process hinges on a well-functioning supply chain to procure essential materials such as paper, plastic, and metal. Any disruptions in the supply chain, whether due to shortages in raw materials, logistics complications or geopolitical conflicts, could impede production timelines and lead to increased expenses. To address these potential challenges, the Group has adopted stringent supply chain management practices and implemented contingency plans to minimize the impact of such disruptions. Furthermore, the Group has established a policy of diversifying its suppliers by having at least two sources for the same materials wherever feasible.

Foreign Exchange Risk

As part of the Group's revenue and sourcing activities originate outside of Malaysia, fluctuations in foreign exchange rates for GBP, EURO and USD against the Malaysian Ringgit could impact the Group's overall earnings. The Group remains vigilant in monitoring exchange rate movements and will utilize hedging strategies as needed to mitigate the risk of significant fluctuations.

Risk Associated with New Ventures

In pursuit of sustainable growth, the Group is always seeking new ventures both within and beyond its core business. Venturing into new areas inevitably brings about uncertainties as uncharted territories are explored. While new investments offer both challenges and opportunities, the Group will conduct thorough due diligence and extensive evaluation before committing to any new investment to minimize potential losses.

Management Discussion and Analysis (continued)

Credit Risks of Customers

The Group provides credit terms to most of its customers and any failure to pay or delay payment by customers can have a negative impact on the Group's financial status. To address this risk, the Group has implemented strict credit control procedures to assess, review and monitor new and existing debts owed by customers. By delivering only to customers deemed creditworthy after a thorough financial evaluation, the Group aims to reduce the occurrence of bad debts.

Business Outlook and Prospects

In recent years, global economy faced a mix of challenges and opportunities influenced by various factors including but not limiting to inflationary pressures, supply chain disruptions, geopolitical uncertainty, digital transformation, technological advancements and also environmental and sustainability concerns. We foresee that the above challenges will persist and the Group will need to adapt to the ever changing market dynamics, seeking out new business opportunities and expand our product range in order to position ourselves for long-term success.

With the increasing trend of online shopping among consumers, driven by factors such as convenience, variety and price transparency, the Group is committed to further expanding our E-Commerce presence both locally and internationally. The successful execution of various online marketing strategies in the past demonstrates our ability to thrive in the dynamic and competitive market landscape. To enhance our competitive advantage, we will prioritize active customer engagement and adapt to market changes to stay relevant.

We will continue leveraging on our core strength as an efficient manufacturer by optimizing operational costs across all aspects of our business. In line with our cost management strategy, we will proactively reorganize and streamline the deployment of our resources as needed to maintain our lean and efficient operations.

Our strong financial position and liquidity offer us the flexibility to pursue business opportunities that align with our long-term growth objectives and deliver value to our shareholders. Despite the challenges that lie ahead, we are confident in our ability to navigate through evolving market conditions, thanks to the solid foundation laid by our past efforts.



ASIA FILE CORPORATION BHD.



GERMANY

Asia File Products Sdn. Bhd. 100%

Plastoreg Smidt GmbH 100%

Plastoreg Eastlight Limited 100%

AFP Composite Sdn. Bhd. 100%

ABBA Marketing Sdn. Bhd. 100%

Sin Chuan Marketing Sdn. Bhd. 100%

Formosa Technology Sdn. Bhd. 100%

Lim & Khoo Sdn. Bhd. 100%

Premier Stationery Pte. Ltd. 100%

Supportive Technology Sdn. Bhd. 100%

Higher Kings Mill Limited 100%

Premier Stationery Limited 95%

MALAYSIA

SINGAPORE

Corporate Structure

Profile of Directors



Dato' Lim Soon Huat, aged 67, 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 40 years in both public and private sectors. Prior to his involvement in business, he was involved in civil engineering projects undertaken by the Drainage and Irrigation Department. In 1986, he joined the filing and stationery industry and since then he has been playing a prominent role in all facets of the company management. He also holds directorship in various subsidiaries of Asia File Corporation Bhd.

As at 3 July 2024, he is the registered holder of 6,125,455 shares in Asia File Corporation Bhd and is deemed interested over 83,738,951 shares in Asia File Corporation Bhd registered under Prestige Elegance (M) Sdn Bhd. He holds 50.01% of the total shareholding in Prestige Elegance (M) Sdn Bhd.

During the financial year ended 31 March 2024, he attended four (4) Board of Directors' meetings.

Profile of Directors (continued)



Lam Voon Kean, aged 72, 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 was appointed as the chairwoman of the Audit Committee and Nomination & Remuneration Committee on 30 June 2023.

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

During the financial year ended 31 March 2024, she attended four (4) Board of Directors' meetings.

Chua Hooi Luan, aged 60, Female, a Malaysian. She was appointed to the Board on 30 June 2022 as an Independent Non-Executive Director. She is a member of the Audit Committee and Nomination & Remuneration Committee.

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

Profile of Directors (continued)

as its General Manager, Corporate Finance in 1997 and presently assumed her role as its Deputy Group Chief Financial Officer.

During the financial year ended 31 March 2024, she attended four (4) Board of Directors' meetings.

Lee Thean Yew, aged 60, Male, a Malaysian. He was appointed to the Board on 30 June 2023 as an Independent Non-Executive Director. He is a member of the Audit Committee and Nomination & Remuneration Committee.

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

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

During the financial year ended 31 March 2024, he attended three (3) Board of Directors' meetings.

Notes:

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

Profile of Key Senior Management

Ms. Goh Phaik Ngoh, aged 56, Female, a Malaysian

» *Chief Financial Officer*

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

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

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

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

Ms. Lim Chin Chin, aged 43, Female, a Malaysian

» *Business Operation Manager*

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

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

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

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

Ms. Lim Mei Chin, aged 39, Female, a Malaysian

» *Business Development Manager*

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

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

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

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

Profile of Key Senior Management (continued)

Mr. Chiang Kok Nearn, aged 49, Male, a Malaysian

» *Plant Manager at Permatang Tinggi, Penang*

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

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

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

Additional information:

None of the Key Senior Management has:

- (i) been convicted of any offence (other than traffic offences) within the past five (5) years; and
- (ii) been imposed with any public sanction or penalty by the relevant bodies during the financial year ended 31 March 2024.

Group Financial Highlights

TURNOVER

RM **294.24M**

PROFIT BEFORE TAX

RM **64.73M**

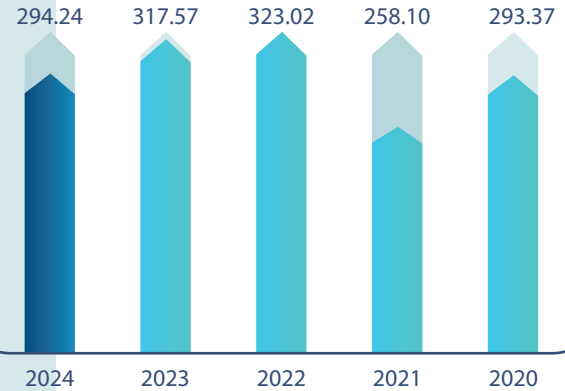
BASIC EARNING PER SHARE

26.78 SEN

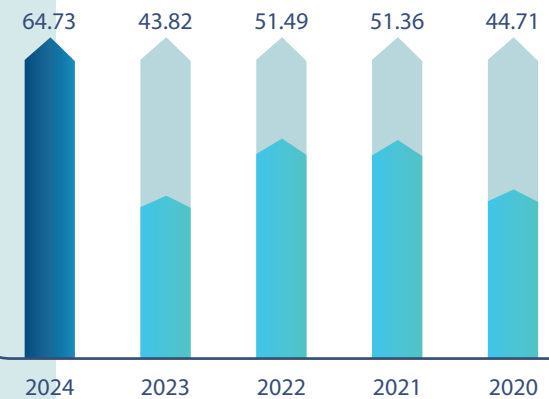
NET ASSETS PER SHARE

406.63 SEN

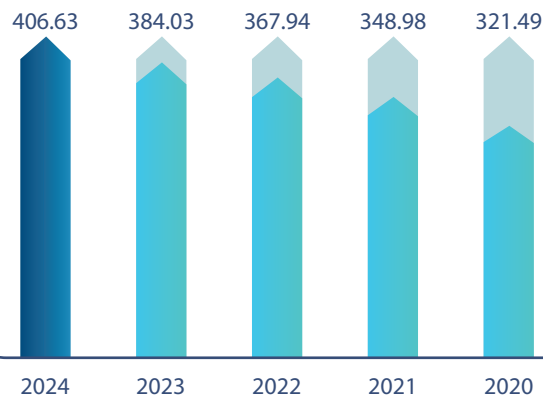
TURNOVER (RM million)



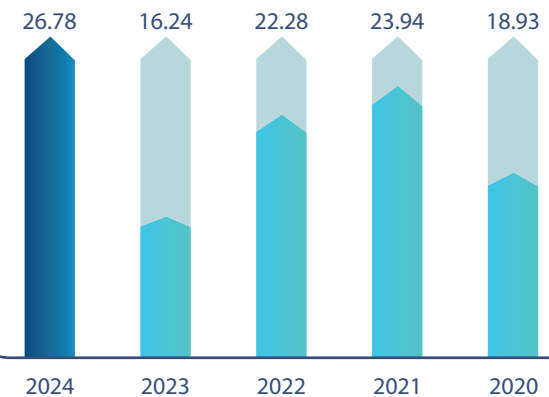
PROFIT BEFORE TAX (RM million)



NET ASSET PER SHARE (Sen)



BASIC EARNING PER SHARE (Sen)



Corporate Governance Overview Statement

INTRODUCTION

The Board of Directors of Asia File Corporation Bhd (“the Board”) is dedicated to upholding a robust standard of corporate governance across the Group, adhering to the Malaysian Code on Corporate Governance (“MCCG”) 2021 which forms part of the continuing obligations of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The Group firmly believes that a sound corporate governance structure fosters a conducive and ethical environment that is vital for sustaining and advancing the Group's business growth.

In accordance with the MMLR, the Group has prepared the Corporate Governance Report (“CG Report”) for the financial year 2024, accessible on the Company’s website at <https://www.asia-file.com/ir.html> as well as on Bursa Securities’ website www.bursamalaysia.com.

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

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Board Responsibilities

The Board holds responsibility for strategic planning, resource oversight and in collaboration with management, monitoring the overall operation of the Group. The roles and responsibilities guiding the Board in achieving its corporate objectives are outlined in the Board Charter.

To effectively fulfil its fiduciary obligations and improve business efficiency, the Board entrusts specific responsibilities to its Committees, namely Audit Committee (“AC”) and the Nomination & Remuneration Committee (“NRC”), both comprised exclusively of Independent Non-Executive Directors.

The Board is also overseeing the integration of sustainability considerations in corporate strategy, governance and decision-making. The Board Charter and the Terms of Reference of the Board Committees are accessible on the Company’s website at <https://www.asia-file.com/ir.html> and are regularly reviewed and updated as necessary to ensure their relevance and effectiveness.

Additionally, the Board is supported by qualified company secretaries, who are members of The Malaysian Institute of Chartered Secretaries and Administrators (“MAICSA”), ensuring proper convening of all Board meetings.

Below are the attendance details of Directors at meetings throughout the financial year, along with the schedule of meetings:-

Name of Directors	Position	Board	AC	NRC
Dato’ Lim Soon Huat	Non-Independent Executive Chairman	4/4	-	-
Mr. Ng Chin Nam (Retired on 30 June 2023)	Independent Non-Executive Director	1/1	1/1	1/1
Mdm. Lam Voon Kean	Independent Non-Executive Director	4/4	4/4	1/1
Ms. Chua Hooi Luan	Independent Non-Executive Director	4/4	4/4	1/1
Mr. Lee Thean Yew (Appointed on 30 June 2023)	Independent Non-Executive Director	3/3	3/3	-

Types of Meeting	29 May 2023	30 Aug 2023	30 Nov 2023	27 Feb 2024
Board	✓	✓	✓	✓
AC	✓	✓	✓	✓
NRC	✓	-	-	-

Corporate Governance Overview Statement (continued)

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

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

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

During the year, the Group conducted refresher courses on its Code of Ethics and Conduct, Anti-Bribery and Anti-Corruption Policy and Whistleblowing Policy for employees whom are engaging regularly with external parties to ensure the employees are in compliance with the Group's standard of integrity in conducting its business dealings. In addition, new employees who joined during the financial year 2024 also underwent the induction training on these policies.

To reinforce its Anti-Bribery and Anti-Corruption efforts, the Group requires business partners to adhere to ethical business practices fairly and honestly by requiring them to carry out their business in the manner set out in the policy.

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

All board meetings are documented and meeting papers are circulated to Board members in advance of meetings. Corporate announcements, including quarterly financial results, undergo board review and approval before being disseminated to Bursa Securities.

Chairman of the Board

The Executive Chairman, Dato' Lim Soon Huat, assumes the responsibility in leading and ensuring the effectiveness of the Board. While the Board acknowledges the dual role of Chairman and Chief Executive held by Dato' Lim Soon Huat, it believes that the current composition of the Board and its decision-making processes establish adequate checks and balances.

The current Board composition includes Independent Directors, who constitute 75% of the Board. These directors possess distinguished credentials, with majority of them served as directors in other public listed companies. The Board relies on their extensive experience and knowledge to uphold independence of judgement.

During meeting, proposals are deliberated and collectively decided upon based on the majority view of the Board, ensuring that no single Board member dominates the decision-making process. In view of the extensive experience of Dato' Lim Soon Huat in managing the Group's business, the Board is of the view that it could benefit from a knowledgeable Chairman in providing timely updates and guidance during deliberations on key issues and discussions on recent developments.

Corporate Governance Overview Statement (continued)

Board Composition

The Board presently consists 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 strong accounting backgrounds and diversified working experiences help to steer the Group in the right direction in fulfilling its role to the Group's stakeholders. Detailed profiles of each director can be found in the Profile of Directors section of this Annual Report.

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

On 30 June 2023, Mr. Ng Chin Nam retired from the Board, as well as from the AC and NRC. In accordance with paragraph 15.02 of the MMLR, the Board appointed Mr. Lee Thean Yew as a new Independent Non-Executive Director on the same date to fill the vacancies resulting from these retirements. Following Mr. Ng Chin Nam's retirement, Madam Lam Voon Kean was re-designated and appointed as the Chairman of both the AC and NRC on 30 June 2023.

The NRC utilizes the extensive professional and business networks of Directors and management to identify qualified candidates for recommendation to the Board. Shortlisted candidates undergo assessment by NRC, which includes assessment on skills, competency, time commitment, independence, professional knowledge, experience, character and other relevant qualities necessary for meeting the Group's needs.

During the financial year 2023, Mr. Lee Thean Yew was proposed to the NRC as a potential candidate for directorship. The NRC convened to deliberate on his candidacy and unanimously agreed to recommend his appointment to the Board based on his demonstrated skills, competency, time commitment, professional knowledge, experience and character. The Board believes that the inclusion of Mr. Lee Thean Yew as a newly appointed Director will bring diverse perspectives and valuable insights, enhancing effective decision-making processes within the Board.

The Board believes that while promoting diversity is crucial, the primary selection criteria for Directors should continue to prioritize an effective blend of competencies, skills, experience and knowledge. This approach ensures that capabilities, experience and qualification are not compromised.

Before making the appointment, the Group conducted the required assessment in accordance with the Group's Directors' Fit & Proper Policy.

The current Board composition demonstrates balanced diversity, achieving 50% female representation at the Board level. A summary of the Board composition is set out below:-

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

Corporate Governance Overview Statement (continued)

Nomination & Remuneration Committee ("NRC")

The NRC consists of three (3) members, all of whom are Independent Non-Executive Directors. Mr. Ng Chin Nam served as the Chairman of the Committee until his retirement on 30 June 2023, after which Madam Lam Voon Kean assumed the role. The NRC is entrusted to review and assess the adequacy and appropriateness of the Board composition. Members of the NRC are well equipped with many years of corporate experiences and are knowledgeable in the field of executive compensation.

The Terms of Reference for the NRC can be accessed on the Company's website at <https://www.asia-file.com/ir.html>.

The NRC meets as and when required and at least once every financial year. During the financial year under review, the NRC held a meeting on 29 May 2023, which was attended by all Committee members.

During the financial year 2024, the NRC engaged in the following activities:-

1. Reviewed the overall structure, size and composition of the Board with an aim to achieve a balance of views from the Board;
2. Discussed the restructuring of the Board Committees, including the appointment of new member;
3. Reviewed the required mix of skills and experiences and other qualities including core competencies and time commitment of the members of the Board;
4. Assessed and reviewed the independence of the directors in delivering their judgment and decisions;
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 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;
7. Made recommendation to the Board for the re-appointment, re-election and retention of Directors who are subject to retirement at the forthcoming Annual General Meeting ("AGM"); and
8. Assessed and made recommendation to the Board for the appointment of new Independent Non-Executive Director.

Board Assessment

The NRC conducted an annual assessment of the effectiveness and independence of the Board using questionnaires, led by the Chairman of the NRC, with support from the company secretary.

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

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

Corporate Governance Overview Statement (continued)

All assessment outcomes and comments from evaluations were documented and deliberated during NRC meeting, which were then presented at the Board Meeting held thereafter. These results remain confidential as part of the Company's internal documents and are not disclosed to external parties.

Directors' Training

Directors are encouraged to participate in seminars, talks, trade fairs, workshops and conferences to continually improve 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 the various programs and seminars as set out below:-

Directors	Details	Date
Dato' Lim Soon Huat	• Canton Fair 2023	24 to 30 April 2023
	• Visited suppliers in China	30 May to 5 June 2023; 6 to 13 August 2023; 9 to 13 September 2023; 5 to 13 January 2024
	• The Ambiente Fair 2024	19 to 28 January 2024
Mdm. Lam Voon Kean	• BEPS Pillar 2 – What is your next step?	5 April 2023
	• Sustainability Governance & Reporting	27 June 2023
	• Asia Pacific Board Leadership Centre Webinar – 2023 Board and Audit Committee Priorities	6 July 2023
	• ISSB-MASB Virtual Outreach- Request for Information – Consultation on Agenda Priorities	10 July 2023
	• Introducing the first ISSB Standards	20 July 2023
	• Invitation to Virtual Event – The Arrival of ISSB Standards and the Continued Relevance of Integrated Reporting	4 September 2023
	• Audit Oversight Board Conversation with Audit Committees	27 November 2023
	• Navigating Capital Gains Tax	29 January 2024
	• What you need to know about Bursa's Amended Listing Requirements on Conflict of Interest (COI)	20 March 2024
Ms. Chua Hooi Luan	• Common Offences Committed by Directors Under the Companies Act 2016	18 May 2023
	• Navigate – Capital Market Green Financing	25 May 2023
	• Mandatory Accreditation Programme Part II : Leading for Impact	28 to 29 February 2024
Mr. Lee Thean Yew	• Mandatory Accreditation Programme	4 to 6 April 2023
	• Making Monthly Reports Worth Reading	16 November 2023
	• Essentials of Sustainability and ESG	On-going via e-learning series

In addition to the abovementioned activities, the Directors have also been briefed by the management, company secretary and external auditors in relation to significant developments in relevant rules and regulations during Committee and Board Meetings.

Corporate Governance Overview Statement (continued)

Directors' Remuneration

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

The NRC is guided by the following principles:

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

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

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit Committee ("AC")

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

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

During the financial year under review, the AC conducted two (2) private sessions with the external auditor without the presence of the Executive Director and management. These meetings facilitated direct communication with the auditors, allowing the Committee to assess the suitability, objectivity and independence of the external auditors. In addition, the AC also evaluated the effectiveness of the internal auditors and reviewed the adequacy and efficiency of the Group's internal controls.

For a detailed composition and activities summary, please refer to the Audit Committee Report in this Annual Report.

Risk Management and Internal Control Framework

The Board holds ultimate responsibility for overseeing the Group's risk management and internal control system. The AC supports the Board by assessing the adequacy and effectiveness of the risk management and internal control framework adopted by the Group. This assessment encompasses financial, operational and compliance controls as well as the processes for identifying, evaluating and managing the significant risks faced by the Group.

Detailed information regarding the Group's Risk Management and Internal Control framework, activities carried out during the financial year under review and reporting procedures can be found in the Statement on Risk Management and Internal Control in this Annual Report.

Corporate Governance Overview Statement (continued)

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

Communication with Stakeholders

The Group places significant emphasis on communicating its business strategies, progress of strategic initiatives and performance to stakeholders on a regular basis. Various communication channels are utilized to foster constructive relationship between the Group and its stakeholders. All interactions with analysts, investors and media briefings are coordinated through the Executive Chairman and the Chief Financial Officer who engage in regular dialogues with institutional investors and delivering presentations to analysts sporadically.

On 9 May 2023, we hosted a virtual investor briefing with the aim of providing our investors with deeper insights into the company's business model and future prospects. A total of thirty five (35) individual and institutional investors participated in the above session. During the session, our Executive Chairman, Dato' Lim Soon Huat and our Chief Financial Officer, Ms. Goh Phaik Ngoh were present to brief the attendees on the company's performance and future strategies as well as responding to the queries raised by the participants.

In adherence to the MMLR and the Corporate Disclosure Guide from Bursa Securities, the Group issues timely and accurate quarterly statements via Bursa Securities and the Company's website. The Annual Report is continuously updated to incorporate the latest development in the area of corporate governance and regulatory requirements. Copies of the Annual Report are distributed to all shareholders in either printed or electronic formats.

The Group maintains an informative corporate website at <https://www.asia-file.com/ir.html>, which provides information relating to, among others, annual reports, quarterly financial reports, corporate information and announcements. This platform enables the investing public and other stakeholders to stay informed about the Group's business progress and developments.

Conduct of General Meetings

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

The Group distributed the Notice of 29th AGM to shareholders at least 28 days ahead as per the requirement of Companies Act 2016 and MMLR in order to provide sufficient time for shareholders to review the Notice of AGM and appoint proxies to attend the AGM if necessary. The Notice of AGM was also advertised in The Star newspaper for broader shareholder awareness.

The 29th AGM of the Company was convened on 29 September 2023 at Olive Tree Hotel, Bayan Lepas, Penang. The meeting was attended by the Executive Chairman, Chief Financial Officer, other Directors, Company Secretary and the Group's external auditors, who were present to address any queries brought up by the shareholders during the AGM.

Poll voting was conducted in a paperless manner using a wireless handheld device for all resolutions set out in the Notice of AGM. The Directors addressed questions raised by the shareholders on the proposed resolutions before putting the resolution to a vote. Securities Services (Holdings) Sdn. Bhd. was appointed as the Poll Administrator to oversee the electronic poll, while Commercial Quest Sdn. Bhd. served as the Independent Scrutineer to verify the poll results at the AGM. All resolutions proposed were duly passed and the outcome of the AGM was announced to Bursa Securities on the same meeting day.

The minutes of the 29th AGM, along with the Company's responses to all questions received before and during the AGM were made available to shareholders on the Company's website within thirty (30) business days following the AGM.

This Statement is made in accordance with a resolution of the Board dated 23 July 2024.

Audit Committee Report

The Board is pleased to present the Audit Committee (“AC”) Report and its activities for the financial year ended 31 March 2024.

Audit Committee Composition and Attendance

The AC consists of three (3) members, all of whom are Independent Non-Executive Directors. Madam Lam Voon Kean, who is a member of the Malaysian Institute of Accountants (“MIA”) and Malaysian Institute of Certified Public Accountants (“MICPA”), currently chairs the committee. She assumed the role following the retirement of Mr. Ng Chin Nam on 30 June 2023. Coming from strong accounting background, all members of the AC are equipped with the necessary knowledge to analyse and interpret financial statements in order to effectively discharge their duties and responsibilities.

On 30 June 2023, Mr. Lee Thean Yew had been appointed by the Board as new Independent Non-Executive Director as well as member of the AC respectively. The appointment complied with paragraph 15.09(1) of the Main Market Listing Requirement (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

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

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

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

Composition	Dates of Meeting				Total Meeting Attended
	29 May 2023	30 Aug 2023	30 Nov 2023	27 Feb 2024	
Mr. Ng Chin Nam <i>(Retired on 30 June 2023)</i> <i>(Chairman, Independent Non-Executive Director)</i>	✓	-	-	-	1/1
Mdm. Lam Voon Kean <i>(Re-designated and appointed as Chairman on 30 June 2023)</i> <i>(Chairman, Independent Non-Executive Director)</i>	✓	✓	✓	✓	4/4
Ms. Chua Hooi Luan <i>(Independent Non-Executive Director)</i>	✓	✓	✓	✓	4/4
Mr. Lee Thean Yew <i>(Appointed on 30 June 2023)</i> <i>(Independent Non-Executive Director)</i>	-	✓	✓	✓	3/3

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

The Terms of Reference (“TOR”) of the AC is accessible on the Company’s website at <https://www.asia-file.com/ir.html>.

Audit Committee Report (continued)

Summary of Activities during the Year

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

1. Financial Reporting

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

2. External Audit

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

On 27 February 2024, 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 AC. An audit status presentation by the external auditors to the AC was carried out on 31 May 2024. 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 2024. No major issues which warrant any specific attention was highlighted during the meetings with the external auditors.

3. Internal Audit

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

During the year, the Internal Audit Plan for the period from 1 April 2024 to 31 March 2025 was presented by the IAD and was subsequently approved by the AC on 27 February 2024.

Audit Committee Report (continued)

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

4. Other Activities

- a) Reviewed the AC Report, Statement on Risk Management and Internal Control, Corporate Governance Overview Statement and Corporate Governance Report prior to recommending to the Board for approval.
- b) Reviewed the recurrent related party transactions of revenue or trading nature and other related party transactions to ensure that they were properly accounted for and disclosed in the Annual Report.
- c) Reviewed and recommended the proposed amendments to the TOR of the AC and the Conflict of Interest ("COI") Policy to the Board of Directors ("Board") for approval and adoption.
- d) Reviewed and discussed the COI and potential COI of Directors and key senior management in accordance with the amendments to the MMLR of Bursa Securities.
- e) Reviewed the progress update on the Sustainability and EESG Reporting based on enhanced sustainability reporting framework by Bursa Securities.

Training

During the financial year 2024, all members of the AC 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 AC 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 AC 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.

Audit Committee Report (continued)

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 AC on a quarterly basis.

During the financial year 2024, total costs incurred for the Internal Audit function comprising staff payroll and benefits, training, travelling and incidental costs amounted to approximately RM 289,000 (2023: RM 241,000).

This Report is made in accordance with a resolution of the Board dated 23 July 2024.

Statement on Risk Management and Internal Control

Introduction

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

Board's Responsibility

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

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

Risk Management and Internal Control

The Board recognises that risk is inherent in its business activities. The Board has established an ongoing process to identify, assess, and manage significant risks that the Group faces, which is integrated into the Group's overall risk management and internal control system. This process has been consistently applied throughout the financial year and up to the approval date of this Statement. Aligned with Part II of Principle B of the Malaysian Code on Corporate Governance 2021, an Enterprise Risk Management ("ERM") Framework has been developed to ensure proper management of risks so as not to impede the achievement of the Group's goals and objectives. The framework outlined the key principles of ERM Framework, risk assessment approach and process, and the respective roles and responsibilities of management at different levels within the Group. The Group does not adhere to any single risk management standard or guideline as it believes that it will be more beneficial to tailor the approach based on the specific circumstances of the Group.

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

The Group has adopted the Guidelines on Adequate Procedures pursuant to Subsection (5) of Section 17A under the Malaysian Anti-Corruption Commission (Amendment) Act 2018 to prevent, detect and respond to bribery and corruption risks. The Group has put in place the Anti-Bribery and Anti-Corruption System ("ABAC"), sets out the Code of Business Conduct for Third Parties, Code of Ethics and Conduct for Employees and Directors and the Whistleblowing Policy. The Group's Anti-Bribery and Anti-Corruption Policy as well as the Code of Ethics and Conduct for Employees and Directors and the Whistleblowing Policy can be found on the Company's website at <https://www.asia-file.com/ir.html>. 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 comprises the followings:-

(i) The Board

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

(ii) Audit Committee

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

(iii) Senior Management and Heads of Operating Units

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

(iv) Internal Audit Function

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

Internal Audit Function

The Group maintains an in-house IAD which is under the purview of the Audit Committee and operates independent of the activities they audit. The IAD is staffed by three (3) full time employees and is headed by Ms Lim Hooi Cheng, who possesses extensive knowledge of the Group's operation. She holds a Master in Business Administration ("MBA") from University Utara Malaysia and is a member of the Malaysian Institute of Accountants ("MIA").

A risk-based Internal Audit Plan which entails the scope of audit, audit timeline and the risk profile of each audit unit for audit work carried out from 1 April 2023 to 31 March 2024 has been approved by the Audit Committee on 27 February 2023.

Statement on Risk Management and Internal Control (continued)

Internal audits are conducted across all departments and operating units, with the frequency determined based on assessed risk levels. During the reviewed year, the IAD conducted audits covering the following areas:-

1. Accounting and finance management
2. Health and safety management
3. Inventory management
4. Legal and regulatory compliance
5. Procurement system review
6. Review on sales controls
7. Review on key subsidiaries' operating controls
8. Review on facility maintenance controls
9. Security review
10. Waste management

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

Upon completion of each audit, an initial report highlighting major findings is issued to the respective HOU. HOU will be given a deadline to respond and provide a CPAP in response to the findings. IAD will review the responses received and a meeting will be held to discuss on the above. During the meetings, a mutually agreed deadline is set to implement the corrective actions outlined in the CPAP. This process ensures that identified issues are addressed promptly and effectively within the organization.

An internal audit monitoring worksheet will be established to facilitate close monitoring by the IAD of the implementation of the CPAP. Depending on the severity of the identified risks, it may warrant a re-audit within a shorter period as opposed to the predetermined timetable. Furthermore, regular reviews are conducted to ensure adherence to established operating procedures and compliance with regulatory requirements. These routine assessments are set up to ensure operational integrity and also to mitigate risks effectively.

In the event that new operating procedures or control mechanisms are introduced to strengthen the internal control system, IAD will offer training support upon request or where necessary, to ensure that the established risk management process is carried out appropriately. Observations arising from the internal audit are presented, together with Management's response and proposed action plans, to the Audit Committee for its review and approval on a quarterly basis. The IAD will also update the Audit Committee on the progress of management's action plans in subsequent executions. 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.

Statement on Risk Management and Internal Control (continued)

Review of Statement by External Auditors

As required by Paragraph 15.23 of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and Audit and Assurance Practice Guide 3 (“AAPG 3”), issued by the MIA. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the Group’s risk management and internal control systems.

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

Conclusion

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

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

This Statement is made in accordance with a resolution of the Board dated 23 July 2024.

Sustainability Statement

INTRODUCTION

Asia File Corporation Bhd and its subsidiaries (“Asia File” or “the Group”) emphasize not only the operational profitability but also the importance in managing economic, environmental and social risks and opportunities in order to sustain long-term business continuity. We believe that in addition to driving social and environmental change, sustainability initiatives can contribute to an organization's overall success.

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

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

SCOPE AND BASIS OF SCOPE

This Statement provides an overview of the Group’s sustainability performance and progress in our business operations from 1 April 2023 to 31 March 2024, unless otherwise specified. Where applicable, we will incorporate data from previous years to monitor the progress and offer comparative insights.

The scope of this Statement includes the main operational subsidiaries located in Malaysia, United Kingdom and Germany, as described in the table below:

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

REPORTING FRAMEWORKS AND STANDARDS

This Statement has been developed according to Bursa Malaysia’s Listing Requirements, with reference to Bursa Malaysia’s Sustainability Reporting Guide (3rd Edition) and Toolkits.

This Statement should be read in conjunction with other sections in our Annual Report, namely Management Discussion and Analysis, Corporate Governance Overview Statement, Statement on Risk Management and Internal Control as well as Corporate Governance Report, as our sustainability efforts may be better contextualised and narrated in the respective sections.

Sustainability Statement (continued)

MEMBERSHIP IN ASSOCIATION

The Group hold the memberships in the following association/organisation:

- Federation of Malaysian Manufacturers ("FMM")
- The Supplier Ethical Data Exchange ("SEDEX")
- Penang Paper & Stationer Association
- Penang Chinese Chamber of Commerce
- Forest Stewardship Council ("FSC")
- The Programme for the Endorsement of Forest Certification ("PEFC")
- The Blue Angel, Germany

ASSURANCE

There is no external assurance on seeking an independent evaluation of performance data published in this Statement. Nevertheless, regular reviews are in place in relation to the policies and procedures quoted in this Statement.

GOVERNANCE STRUCTURE

The Board has established a governance structure to drive and manage sustainable practices across our various operations. Our sustainability governance, spearheaded by the Board is supported by the Sustainability Working Group ("SWG") which comprises Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO") and all senior management and departmental head.

The Board oversees all sustainability matters in Asia File and lead the Group in embedding sustainability matters in our business strategies. The Board also involves in the management of material sustainability issues through robust process and control and seek regular updates and measure on management of sustainability matters. The Board will consider economic, environmental and social ("EES") issues in the development of the Group's strategy and ensure that EES issues that are material to value creation are integrated into our business strategies and management processes.

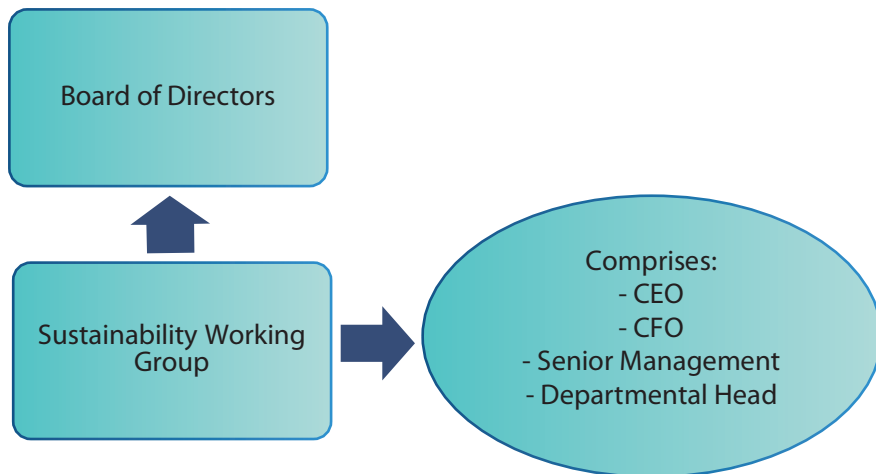
Under the SWG, CFO will assist the CEO in setting the Group's sustainability strategies / plans and priorities based on identified sustainability matters, as well as reporting to the Board if necessary of any critical sustainability issues for the Board's further consideration.

Senior Management and departmental head are responsible for the implementation of sustainability strategies at their respective operation units and assist the Board to ensure that intended goals and objectives are met.

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

Sustainability Statement (continued)

Reporting Structure



SUSTAINABILITY STRATEGY

Our sustainability framework is based on Economic, Environmental and Social (“EES”) risks and opportunities along with the Group’s corporate governance framework and corporate social responsibilities. With good corporate governance, environmentally responsible practices and sound social policies, we believe we are able to achieve sustainable growth and enhance long-term value for its stakeholders.

The Group is committed to a sustainable future by proactively implementing strategies and initiatives to improve the social, economic, environmental well-being of the community and deliver sustainable value to all stakeholders.

STAKEHOLDER ENGAGEMENT

We acknowledge the vital role stakeholders play in the success of our business and it is imperative for us to anticipate any potential interests or concerns they may have. The table below depicts the interests and expectations of each stakeholder, along with the type of engagement and its frequency.

No	Stakeholders	Area of interest and concerns	Type of Engagement	Frequency
1	Shareholders / Investors	<ul style="list-style-type: none"> • Business performance and direction • Profitability and dividends • Good EES practices • Maximization of shareholders’ value • Sustainability agenda 	<ul style="list-style-type: none"> • Annual General Meetings • Annual Reports • Bursa Malaysia Announcements • Corporate website • Correspondences with analysts / shareholders • Press releases • Online webinar 	<ul style="list-style-type: none"> • Annually • Quarterly • As needed

Sustainability Statement (continued)

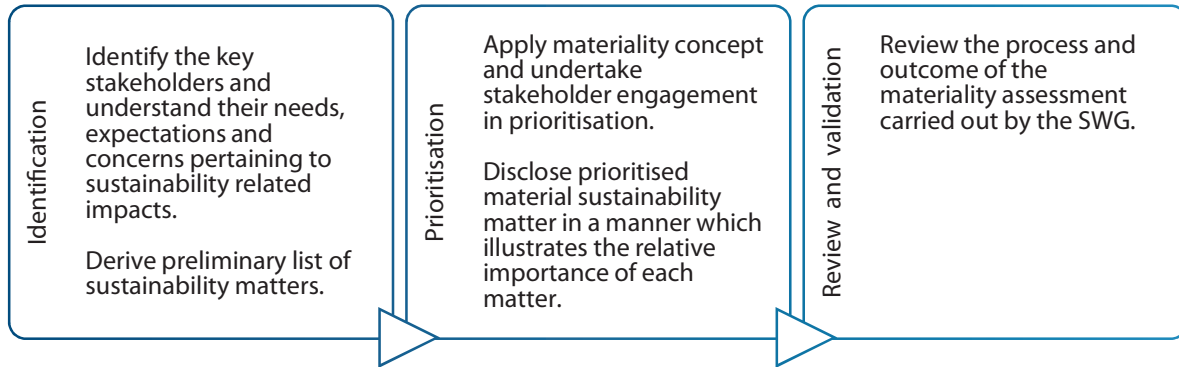
No	Stakeholders	Area of interest and concerns	Type of Engagement	Frequency
2	Employees	<ul style="list-style-type: none"> • Equal opportunity • Training and career development • Occupational safety and health • Remuneration and benefits • Work life balance and job satisfaction 	<ul style="list-style-type: none"> • Performance appraisals and employee recognition • Employees conversation • Regular safety inspections • Team bonding events 	<ul style="list-style-type: none"> • Annually • Quarterly • Monthly • On-going
3	Government / Regulatory Authorities	<ul style="list-style-type: none"> • Legal compliance 	<ul style="list-style-type: none"> • Industry seminars and focus group discussions • Periodic visits and inspections • Submission of reports required under regulation 	<ul style="list-style-type: none"> • Annually • Monthly • On-going
4	Customers	<ul style="list-style-type: none"> • Quality of products and services • Good EES practices • Competitive pricing • Timely delivery 	<ul style="list-style-type: none"> • Customers feedback • Frequent customer engagement and interaction • Periodic visits and audit by customers 	<ul style="list-style-type: none"> • Annually • On-going
5	Suppliers	<ul style="list-style-type: none"> • Compliance with suppliers' code of conducts • Pricing • Quality of goods and services • Sustainability and consistency in supply 	<ul style="list-style-type: none"> • Supplier assessment • Supplier engagements and meetings • Supplier visits 	<ul style="list-style-type: none"> • Annually • On-going
6	Community	<ul style="list-style-type: none"> • Environmental protection • Community welfare 	<ul style="list-style-type: none"> • CSR engagements • Sponsorship and donation • Job Opportunity 	<ul style="list-style-type: none"> • On-going

Sustainability Statement (continued)

MATERIAL MATTERS

Our Approach to Materiality Assessment

Our materiality assessment process is made up of three (3) distinctive phases as illustrated in the chart below:



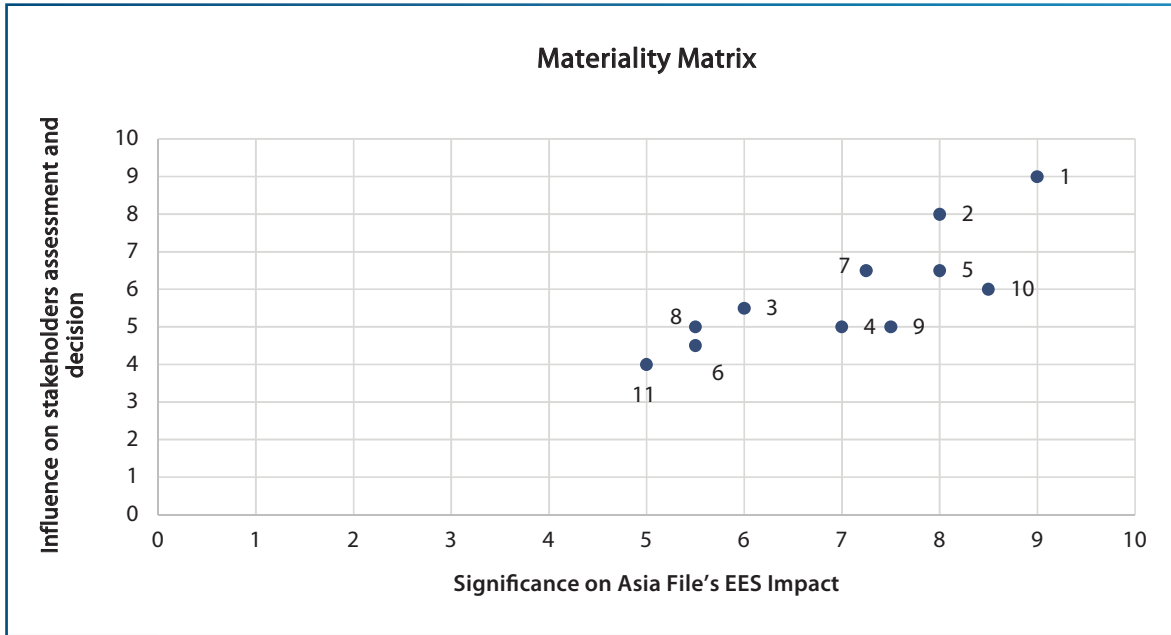
FY 2024 Materiality Matrix

In FY 2024, we conducted a comprehensive materiality assessment process involving our respective stakeholders to ensure that their interests and concerns are addressed. The process ensures that the Group addresses the risks and opportunities that arise in a timely manner, reflecting the prioritization of sustainability matters. We use a scale of 1 to 10, based on a hierarchy of importance with 10 being the most importance and 1 being the least importance.

During the year under review, there are a total of eleven (11) material sustainability matters identified which are grouped under three (3) sustainability topics, i.e. Economic, Environment and Social.

ECONOMIC	ENVIRONMENT	SOCIAL
1. Business Performance and Continuity 2. Corporate Governance and Ethics 3. Supply Chain Management 4. Data Protection and Privacy	5. Energy and Emission Management 6. Water Management 7. Waste Management	8. Employee Diversity and Equal Opportunity 9. Labour Practices and Standard 10. Occupational Safety and Health 11. Local Communities / Society

Sustainability Statement (continued)



ECONOMIC

Economic sustainability refers to practices that support long-term economic growth without negatively impacting social, environmental, and cultural aspects of the community. The principles of sustainability are integral in our pursuit of economic growth. We are conscious of the needs to integrate sustainability into our business strategy in terms of effective cost management, economies of scale and innovation in order to consistently deliver solid results.

Businesses that embrace sustainability are able to thrive in the long-term, together with society as a whole. In line with this, our business units embrace sustainable business practices in tandem with our pursuit of sustainable economic growth. We understand that our sustainability and long-term success depend on our ability to gain access to new business opportunities and the strength of our relationships with key stakeholders such as customers, employees, suppliers, shareholders and regulators.

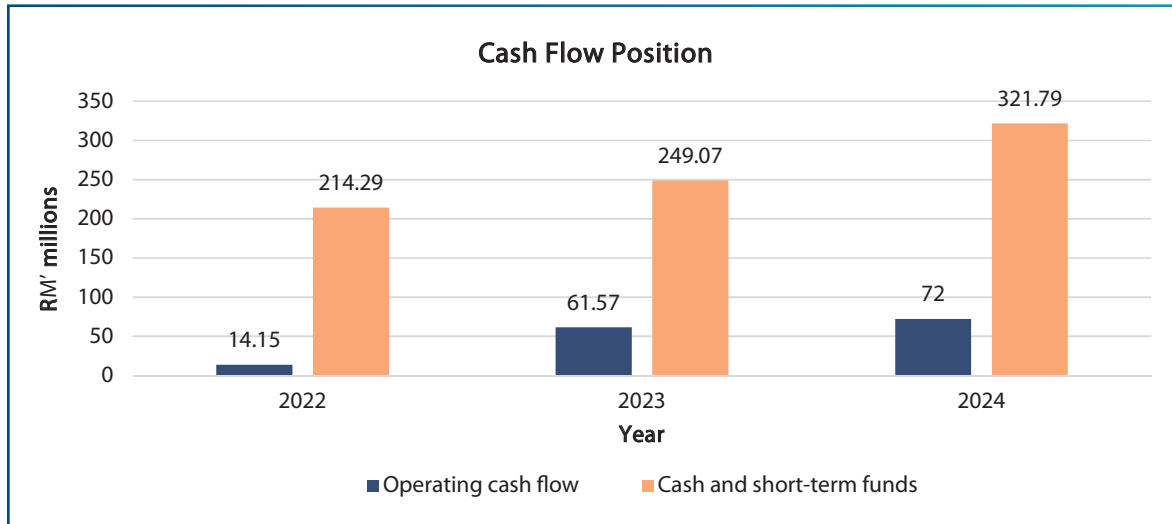
Business Performance and Continuity

Business performance is not merely a measure of financial success; it reflects business resilience, adaptability and sustainability in the face of evolving challenges.

The Group recognises the importance of generating positive economic performance in order to sustain the operation of the business on long-term basis. We practice prudent financial management to maintain our robust balance sheet and healthy cash flow, thereby enabling long-term financial resilience.

The Group has always maintained a strong cash flow position. During the financial year under review, the Group generated net operating cash inflow of RM 72.00 million and as at 31 March 2024, the Group holds a total cash and bank balances and short-term funds amounted to RM 321.79 million with zero borrowings. The strong cash position has put the Group in a strong position with sufficient fund for business expansion in the future.

Sustainability Statement (continued)



In addition, the Group has also constantly evolved to fit and meet the ever changing requirements of the business environment through products diversification. We continue to strive for performance improvement in our operations and have successfully generated sustainable profits over the years through the continued pursuit of new business opportunities, identifying latest business trends and improving our operation efficiencies and capabilities. Despite a drop in revenue during the year, we managed to improve our operating profit. Our cost optimization and operational efficiency has successfully contributed to the improved margin.

To achieve long term sustainability goals, the Group diversified its product range to include recyclable consumer and food wares products such as plastic drawer and storage box, plastic chair and plastic shoe box, paper and plastic lunch box, paper bowl and paper cups. The Group had also launched these products on both local and overseas E-commerce platforms and achieved positive results. The successful launching of these products is a strong testament of the Group's competitiveness in terms of product quality, service level and pricing. The Group is committed to further expanding our E-commerce presence both locally and internationally and also to adapt to market changes in order to stay relevant.

Corporate Governance and Ethics

At Asia File, we firmly believe in conducting our business in a manner that is fair, transparent, ethical, and with integrity. Beyond complying with the relevant legal and regulatory requirements, we also promise to practice the highest degree of integrity in all of our business dealings and relationships. This aligns with our Code of Ethics and Conduct which requires our employees to develop a reputation for honesty, fairness, responsibility and integrity when performing their duties.

The Board has established Anti-Bribery and Anti-Corruption Policy to provide guiding principles to effectively reduce, detect, and mitigate bribery and corruption risks. 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.

In addition, the Board has also established a Whistleblowing Policy which sets out the internal channel and reporting procedures for all individuals to report and raise genuine concerns or allegations for all unethical and improper business conducts. To encourage disclosure, protection will be provided to the individuals who have made the allegation or reported the misconduct.

Our Anti-Bribery and Anti-Corruption Policy, Code of Ethics and Conduct and Whistleblowing Policy are made available on our Company's website at <https://www.asia-file.com/ir.html>.

Sustainability Statement (continued)

The new joiners will receive induction training on the first day they report to work, covering the explanation on Employee Handbook, Code of Ethics and Conduct, Anti-Bribery and Anti-Corruption, Whistleblowing as well as Health and Safety and also other security related policies. Refresher trainings on Anti-Bribery and Anti-Corruption and Whistleblowing policies will also be given to employees who deal with vendors or external parties to ensure they adhere to the policies when carrying out their job responsibilities.

To raise awareness level of anti-corruption and bribery, mandatory training on Anti-Bribery and Anti-Corruption will be provided to targeted department annually.

Percentage of employees who have received training on anti-corruption by employee category

	FY2022	FY2023	FY2024
Manager and above	97%	100%	100%
Executive	44%	39%	71%
Non-Executive	28%	30%	31%

In FY 2024, the Group had conducted corruption risk assessments on 100% of the Group operation which involved 8 main entities and we are pleased to report that there are zero incidents of corruption and we plan to maintain this excellent result every year.

	FY2022	FY2023	FY2024
Percentage of operations assessed for corruption-related risks	100%	100%	100%
Number of confirmed incidents of corruption	-	-	-

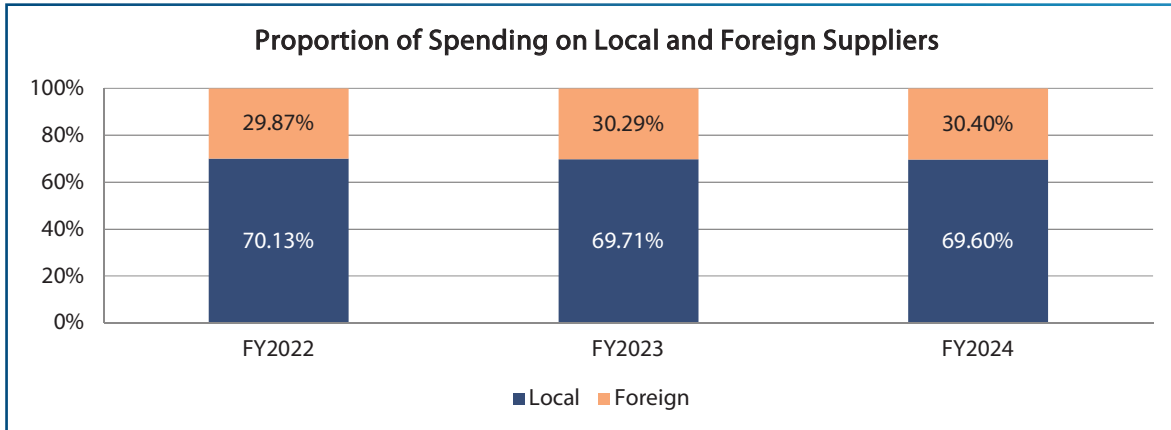
Supply Chain Management

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

In addition, we are committed to supporting local businesses and fostering economic growth in the communities where we operate in. This dedication is evident with the consistent spending with local suppliers which represents approximately 70% of our total purchases. Barring any unforeseen circumstances, we intend to maintain our local procurement at this ratio, i.e. 70% going forward.

	FY2022	FY2023	FY2024
Local supplier	70.13%	69.71%	69.60%
Foreign supplier	29.87%	30.29%	30.40%

Sustainability Statement (continued)



Data Protection and Privacy

The Group recognizes the importance of information security in its operations, given the constant creation, collection, and management of data concerning its stakeholders and the business. The Group is committed to protecting private information and personal data of our customers, suppliers, and employees. Our cyber security measures and practices ensure that information is appropriately and lawfully shared and that data is handled with the utmost care, without compromising confidentiality and integrity.

In recent years, there has been a notable increase in cyber security risks. As a result, we acknowledge our responsibility to effectively manage the escalating threat of cyber-attacks on our operations. This includes a steadfast commitment to safeguarding our sensitive information, proactively preventing any potential leaks, threats, or loss of our confidential information which includes customer data. In response to this, we have implemented several cyber security measures as outlined below and we remain committed to adopting new safeguards as the threats evolves over time.

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

As of 31 March 2024, there was zero substantiated complaint concerning breaches in customer privacy and data loss and we target to maintain this excellent track record in future years.

	FY2022	FY2023	FY2024
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	-	-	-

Sustainability Statement (continued)

ENVIRONMENT

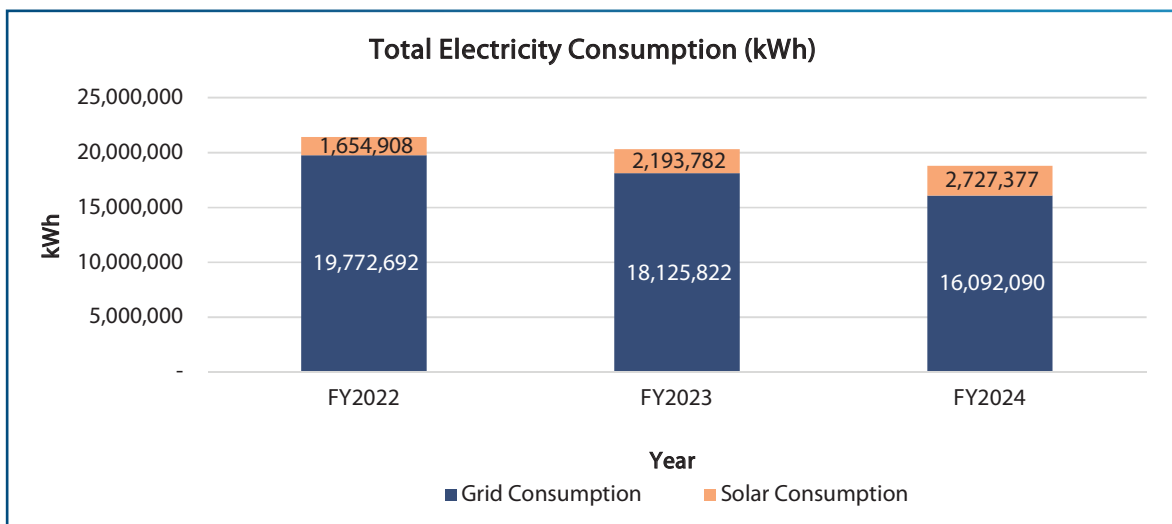
The Group has put into consideration safety and environmental factors in all its operational decisions and continuously explores possible opportunities to minimise any adverse impact from its manufacturing operations. As a manufacturer dealing with papers and plastics materials, the Group places great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

We believe that the well-being of the environment is the foundation on which we are able to build and retain a sustainable business. We strive to comply with the required environmental controls and monitoring regulations in all our Group's activities.

Energy and Emission Management

Climate change is recognised as one of the global challenges, bringing both transition risks (policy, legal, technology, market, and reputation risk) and physical risks (acute and chronic risk) to societies, organisations and ecosystems worldwide. Therefore, it is imperative to implement strategies to effectively manage these challenges and risks. We acknowledge the importance of transitioning to sustainable energy sources, reducing carbon emissions, conserving water resources and minimising waste generation. These efforts are integral to mitigate the impacts of climate change and ensuring the preservation of our planet for the well-being of present and future generations.

As part of our measure to reduce carbon footprint, we have initiated installations of solar photovoltaic system to generate clean energy from sunlight since FY 2019. To date, the Group has invested more than RM 7 million on solar installation projects on all our major manufacturing sites in Malaysia and paper mill in the United Kingdom. The installations have successfully generated a total of 2.7 million kWh of electricity which accounts for approximately 14% of the total electricity consumption and approximately 16% of the total electricity consumed by the premises involved in the projects during FY 2024. Subsequent to the installation, the Group has achieved a total electricity cost savings of RM 5.2 million. In addition, the Group has also successfully reduced a total of 2,828 tCO₂e of GHG emissions over the three-year period from FY 2022 to FY 2024.



Sustainability Statement (continued)

In addition, we have also implemented several strategies for effective energy management and GHG emissions management. These initiatives include:

- Promote energy-saving habits among our employees;
- Implement practices to conserve energy, such as switching off lights and air conditioning when not in use across our facilities and operations; and
- Encourage usage of energy saving LED light. During the year, approximately RM 260K was spent in replacing the conventional lighting.

The Group adopts calculation methodology based on GHG protocol. All GHG emissions are converted to tCO₂e based on the emission factors obtained from UNFCCC Harmonised Grid Factors 2021.

Direct – Scope 1 GHG Emissions

	FY2022	FY2023	FY2024
Fuel consumption (liter)	125,615	212,272	295,090
Heating oil consumption (liter)	38,620	29,304	31,568
LPG Gas consumption (liter)	54,622	51,979	53,675
Scope 1 GHG emission (tCO₂e)	426	627	839

Note:

- (i) *Scope 1 GHG emissions refer to emissions that come from the consumption of petrol and diesel for company vehicles, heating oil by our overseas subsidiaries for energy and LPG for forklift. The emission was calculated based on the actual usage.*
- (ii) *There is a significant increase in fuel consumption during the year mainly due to purchase of additional lorries to support the growing business of consumer and food wares and lessen the reliance on external transport in delivering the goods to our customers. This will improve efficiency of our goods deliveries to our customers.*

Indirect – Scope 2 GHG Emissions

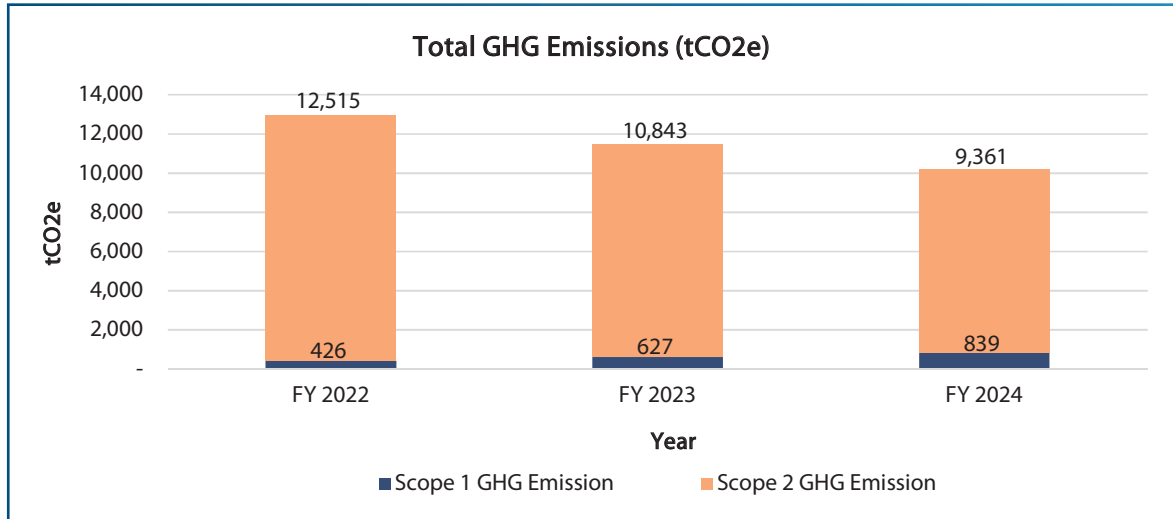
	FY2022	FY2023	FY2024
Grid Electricity consumption (kWh)	19,772,692	18,125,822	16,092,090
Gas consumption (kWh)	36,476,670	28,813,625	23,543,580
Scope 2 GHG emission (tCO₂e)	12,515	10,843	9,361

Note:

- (i) *Scope 2 GHG emissions refer to emissions that come from the consumption of electricity and gas. The consumption was compiled based on monthly utility bills.*
- (ii) *In FY 2024, the Group has managed to reduce the consumption of grid electricity and gases due to lower production and also higher contribution from solar energy.*

There are no data for Scope 3 GHG emissions as the Group did not collect the data during the year. The Group will compile the data with effect from FY 2025.

Sustainability Statement (continued)



The management has set a target to achieve net carbon neutrality by year 2050 for our paper mill plant located in United Kingdom. This is in line with the UK Government commitment to achieve net zero carbon emission by year 2050 as stipulated under the Climate Change Act (2008).

Water Management

Access to clean and safe water is not just fundamental for human activities but also a basic human right and essential for life itself. Unfortunately, many regions face water scarcity due to factors such as climate change. While our business operations may not currently operate in a water-stressed region, we recognise the importance of effective and responsible water management. We are committed to implementing sustainable practices that conserve water, prevent pollution of water and ensure the responsible use of this vital resource across our business operations.

For water sourcing, we source our water from established water supply companies with well-developed water distribution infrastructure. For water discharge, we do not release our wastewater into oceans, rivers, lakes, natural ponds and wells.

We have taken several initiatives for effective water management which includes reducing water usage in each toilet flush and conduct regular checking on all piping, water valves and equipment to ensure they are in good condition to avoid wastage.

We monitor our water consumption based on the monthly utility bills. For FY 2024, we have managed to achieve a significant reduction in water usage.

	FY2022	FY2023	FY2024
Water consumption (m ³)	306,425	225,106	176,508

Sustainability Statement (continued)

Waste Management

We recognise the importance of effective waste management in protecting the environment, reducing pollution and combating climate change. We understand that by recycling and recovering valuable resources from waste, we can conserve energy and reduce greenhouse gas emissions. Practices like recycling also help to minimize methane emissions, which contribute to climate change.

In recognising that proper waste management is essential for preserving ecosystems and mitigating the impacts of climate change, we have implemented the following initiatives for waste management:

- Install recycling machines at our various plants which are involved in recycling plastics waste to be reused in production in order to optimize usage of plastic material;
- Promote the culture of recycling by minimizing the usage of externally sourced packaging material by using internally produced materials for which at least 30% is recycled components;
- Appoint government approved waste contractors to dispose of scheduled wastes that could not be reused or recycled;
- Ensure that all scheduled wastes such as ink and solvents are to be stored in safe places and to be disposed of in an appropriate manner through authorized contractors for off-site treatment. The non-scheduled waste that has been identified was disposed off to third parties for further recycling;
- Encourage and educate employee to reduce paper consumptions and promote a paperless environment through our 'Save Paper Save Tree' campaign;
- Print on both sides of paper whenever possible to optimise the paper usage;
- Instil awareness among our employees on environment conservation through the 3R Concept ("Reduce, Reuse and Recycle");
- Provide recycle bins to encourage waste segregation for proper recycling and disposal purposes; and
- Organise E-waste collection programme from time to time and encourage our employees to dispose E-waste into our allocated bins.

	FY2022	FY2023	FY2024
Waste diverted from disposal (mt)	3,695	3,286	3,128
Waste directed to disposal (mt)	892	730	783
Total Waste generated (mt)	4,587	4,016	3,911

In addition, the recyclable waste such as old clothes, old books, paper and plastic products are collected and contributed to SIMA Handicapped Centre as part of our corporate social responsibility ('CSR') to the local community. During the year, the Group had donated a total of 101.13 kg to SIMA Handicapped Centre.

SOCIAL

Employee Diversity and Equal Opportunity

Diversity, Equity and Inclusion are essential elements to measure good corporate governance of an effective and well-functioning organisation and cultivating a sense of belonging for everyone. We acknowledge that a diverse group of employees will be able to provide the necessary range of perspectives, experiences and expertises required in promoting better corporate governance to enhance prudent business decision making process and to ensure sustainable growth. The Group is committed to building a diverse workforce and providing a workplace that nurtures inclusion, equity and respect for all.

At Asia File, we embrace the concept of Diversity, Equity and Inclusion to ensure that the organisation is steered by a diverse group of employees in terms of age, ethnicity and gender. We uphold the principle

Sustainability Statement (continued)

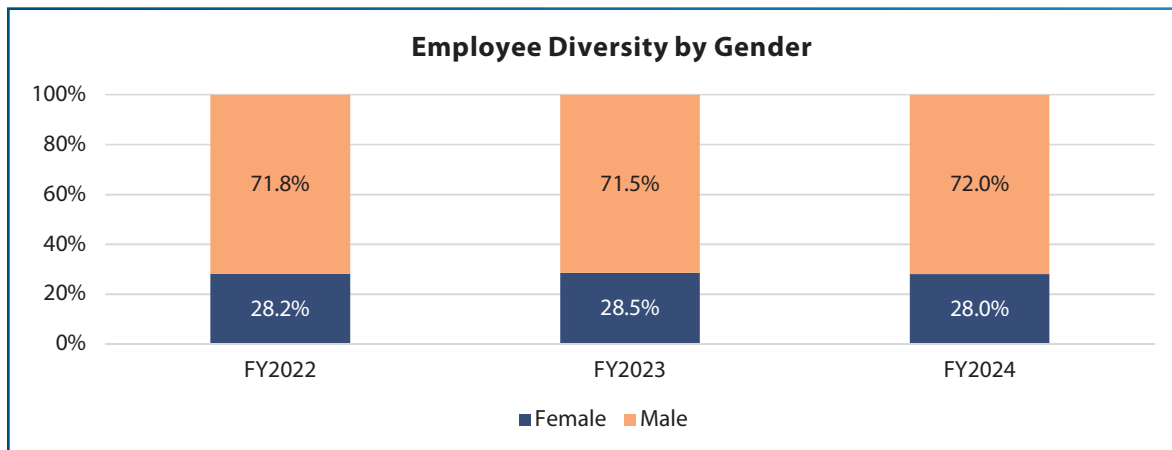
of equal employment opportunities and practice no discrimination against employees on basis of gender, age or ethnicity. Our employees are to be treated fairly and respectfully and ensure that they are not judged by their gender, age, race, religion cultural background, ethnicity or disability. Discrimination, harassment, victimisation will not be tolerated. Any breach of the Policy may subject an employee to disciplinary action including termination of service.

Diversity	Equity	Inclusion
All the attributes or characteristics that make individuals different from each other which includes, but is not limited to age, gender, experience, education, background, expertise, origin, disability, race, nationality, culture, language and perspectives.	The act of promoting justice, impartiality and fairness within the procedures, processes, programme and distribution of resources in ensuring equal possible outcomes for every individual.	The practice of ensuring that employees feel a sense of belonging within the Group and behaviours to respond to people in order to ensure that individual needs are met and they feel included, engaged and connected within workplace activities.

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

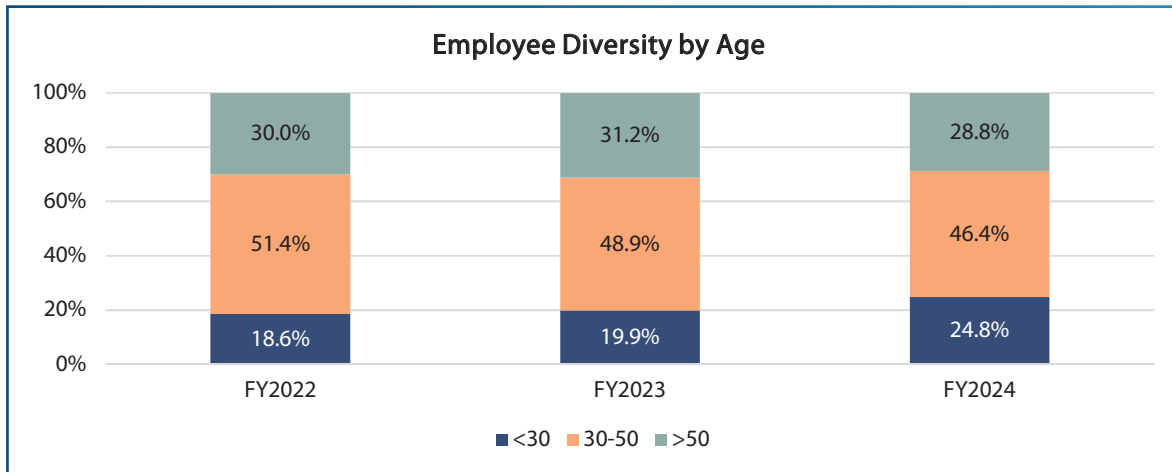
In FY 2024, we recorded a total of 743 employees.

By Gender	FY2022		FY2023		FY2024	
	Male	Female	Male	Female	Male	Female
Manager and above	62.9%	37.1%	61.4%	38.6%	60.0%	40.0%
Executive	42.7%	57.3%	43.0%	57.0%	41.5%	58.5%
Non-Executive	78.4%	21.6%	78.3%	21.7%	79.5%	20.5%
Total	71.8%	28.2%	71.5%	28.5%	72.0%	28.0%

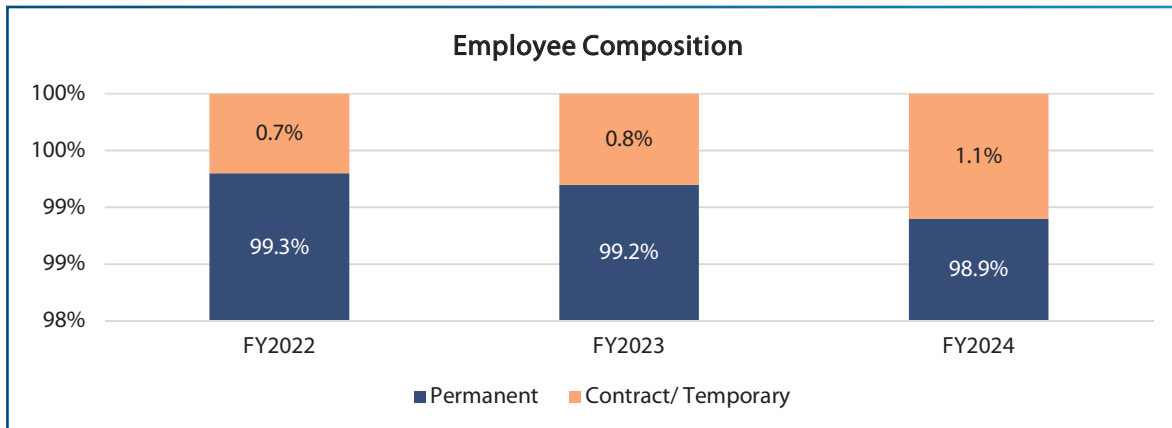


Sustainability Statement (continued)

By Age	FY2022			FY2023			FY2024		
	<30	30-50	>50	<30	30-50	>50	<30	30-50	>50
Manager and above	-	48.4%	51.6%	-	49.1%	50.9%	-	52.7%	47.3%
Executive	11.3%	48.4%	40.3%	13.2%	43.8%	43.0%	14.4%	44.9%	40.7%
Non-Executive	21.8%	52.3%	25.9%	23.2%	49.9%	26.9%	29.3%	46.1%	24.6%
Total	18.6%	51.4%	30.0%	19.9%	48.9%	31.2%	24.8%	46.4%	28.8%

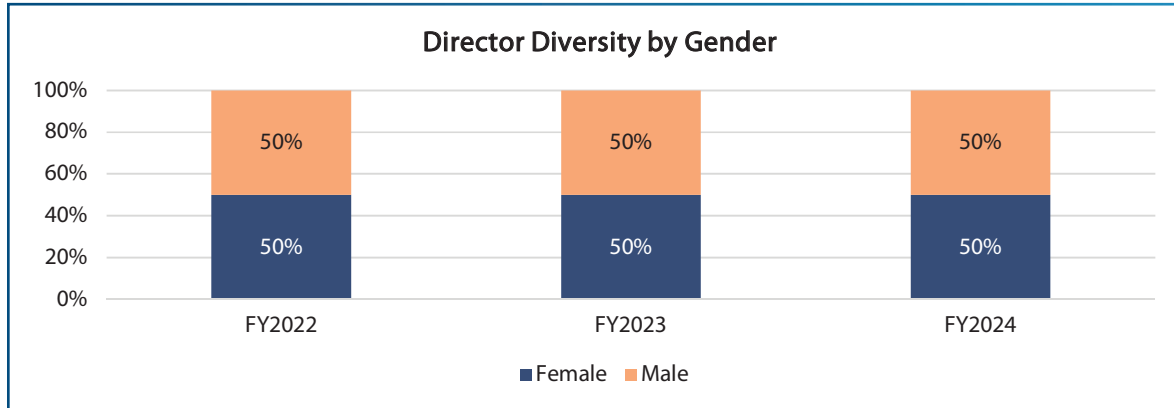


	FY2022	FY2023	FY2024
Contract/ Temporary staff	0.7%	0.8%	1.1%
Permanent staff	99.3%	99.2%	98.9%

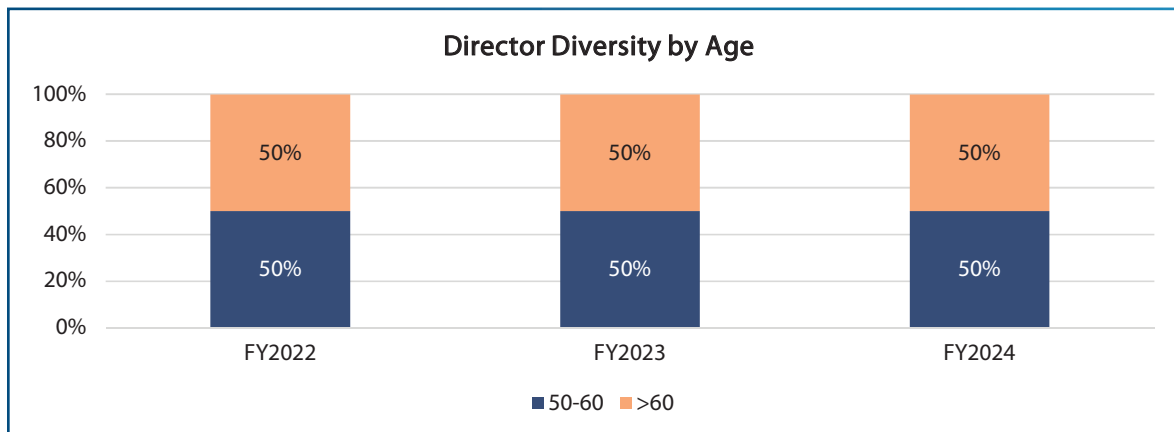


Sustainability Statement (continued)

By Gender	FY2022		FY2023		FY2024	
	Male	Female	Male	Female	Male	Female
Director	50%	50%	50%	50%	50%	50%



By Age	FY2022		FY2023		FY2024	
	50-60	>60	50-60	>60	50-60	>60
Director	50%	50%	50%	50%	50%	50%



Sustainability Statement (continued)

As part of the corporate social responsibilities, we also provide employment opportunity for disabled people. As at FY 2024, the Group has employed a total of 11 people with disabilities. In addition, we also recruited retirees who are qualified for job vacancy. As at FY 2024, the Group has recruited a total of 32 retirees.

	FY2022	FY2023	FY2024
Number of person with disabilities	11	11	11
Number of retirees	32	32	32

Labour Practices and Standard

People Attraction and Retention

Employees are one of the most valuable assets an organization has and we acknowledge that our employees are one of our key stakeholders whose contributions are vital to the success execution of our Group's strategies. As such, we are committed to recruiting, retaining and rewarding our employees in line with fair and equal employment practices.

We recruit employees who not only possess exceptional skill sets but also demonstrate positive attitudes. Thus, we continually strive to attract and retain the appropriate talent by providing a working culture that inculcates positive values and empowers our employees. For new joiners, the confirmation review creates a sharing session between Human Resources Department and new joiners to understand concerns or issues faced in relation to job scope, working environment and employee welfare.

Performance appraisal will also be conducted yearly whereby our employees are evaluated to measure and reward their performance. It provides an excellent platform for feedback and communication between employees and Head of Departments ("HOD") in discussing career advancement, areas of improvement and also training requirements.

Below is the list of employee benefits and welfare programs:

Categories	Benefits
Statutory Benefits	<ul style="list-style-type: none"> • Adherence to minimum wage law • Statutory contributions, i.e. EPF, SOCSO, EIS and HRDF • Public holidays
Leave Provision	<ul style="list-style-type: none"> • Annual leave • Medical leave • Maternity leave • Paternity leave • Marriage leave • Compassionate leave • Hospitalisation leave • Unpaid leave
Employment Benefits	<ul style="list-style-type: none"> • Subsidised Hospitalisation and Surgery ("H & S Scheme") • Personal Accident Scheme • Skill development • Optical, dental and medical • Company loan • Employee Share Options Scheme ("ESOS") • Transportation and Uniform
Facilities	<ul style="list-style-type: none"> • Locker • Canteen

Sustainability Statement (continued)

In addition, various programs have been organized by the Group for the benefit of its employees such as festive celebrations, fun run and health screening events which encourage employees to mingle and interact with one another to foster team spirit and to build a closer working relationship as well as to promote a healthy lifestyle among the workforce. The “Health Screening” program which was organized in August 2023 and involved approximately 150 employees aimed to raise awareness on health issue, identify potential health risk and take early preventive measures in managing the well-being of our employees.

Health Screening Program 2023



Pink Fun Walk and Zumba 2023



Together We Care 2KM Fun Walk 2024



Sustainability Statement (continued)

The Group also gives out Long Service Awards bi-annually to employees who have served the Company for more than 10 years. It highlights achievements and shows appreciation to employees for their efforts and contribution.

Long Service Award 2023 (Malaysia)



Long Service Award 2023 (Germany)



Sustainability Statement (continued)

In FY 2024, we recorded an employee turnover of 153 in total, a 13% reduction as compared to prior year.

	FY2022	FY2023	FY2024
Managers and above	6	6	6
Executive	21	11	13
Non-Executive	126	159	134
Total employee turnover	153	176	153

Training

In addition to prioritising employee welfare, we firmly believe that continuous development is crucial for attracting and retaining talents. We are committed to offering our employees a diverse learning environment aimed at fostering excellence in their respective fields. By doing so, we have not only empowered them to thrive professionally but also enhance their work productivity and efficiency. In FY 2024, we delivered a total of 3,497 hours of training to our employees.

	FY2022	FY2023	FY2024
Managers and above	N/A	N/A	566
Executive	N/A	N/A	688
Non-Executive	N/A	N/A	2,243
Total employee training hours	N/A	N/A	3,497

Note:

This is the 1st year the Group started to compile the data for employees training hour. As such, prior year data is not available.

Human Rights

Upholding human rights is a moral imperative and crucial aspect of sustainable business practices. By recognising the inherent dignity and worth of our employees and treating them with respect, fairness and integrity, regardless of their background or identity, we can foster an environment of inclusivity and shared values, thereby enhancing long-term morale and productivity.

At Asia File, we are committed to protecting and respecting human rights across all our business operations. We respect all international standards, local laws and regulations applicable to the protection of human and labour rights. The Group uphold steadfastly to its principle of showing respect and protecting human rights in all areas of its operations. We strictly prohibit any recruitment of child labour as well as any forms of slavery and human trafficking in our supply chain.

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 and can be accessed at <https://www.asia-file.com/ir.html>.

As of 31 March 2024, there were zero substantiated complaints concerning human rights violations. We are committed to maintaining the zero record annually.

	FY2022	FY2023	FY2024
Number of substantiated complaints concerning human rights violations	-	-	-

Sustainability Statement (continued)

Occupational Safety and Health

Health and Safety continues to be a key priority at Asia File. 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. Our employee safety handbook outlines all the safety rules and practices employees are required to comply with at all time and any breaches of the rules will result in disciplinary action taken.

The Group Health and Safety is managed and monitored by our Health and Safety Committee. The Health and Safety Committee plays an important role in ensuring our health and safety policies are implemented effectively. We aim to provide a safe and healthy working environment for all employees and will make every possible effort to prevent accident and preserve the health of the employees.

To achieve this, detailed operating procedures are in place so that operations are in compliance with rules and regulations currently in force:

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

Regular internal audit on health and safety issue has also been performed to ensure the policy is working effectively.

Health and Safety Training

Regular trainings and briefings are conducted to instil awareness on safe work culture and ensure that all employees are equipped with adequate knowledge and skill to perform their tasks respectively. Our Health and Safety Committee and IAD play an important role in ensuring the effectiveness of the policies and procedures and also strict adherence by all employees.

Health and safety training needs are identified annually. Based on these needs, trainings are provided and employees will undergo the relevant planned trainings. Depending on the requirements, trainings are organized either in-house by the Safety and Health Officer or via public trainings conducted by external parties.

During the year, the company also conducted fire drill which is a structured and rehearsed exercise to familiarize individual employees with the necessary steps to be taken when a fire emergency takes place within the premises. The goal is to promote a quick, orderly, and safe evacuation while avoiding the risk of injuries or casualties.

Sustainability Statement (continued)

	FY2022	FY2023	FY2024
Number of employees trained on health and safety standards	N/A	N/A	696

Note:

This is the 1st year the Group started to compile the data, as such prior year data is not available.

The Group has set a target to conduct at least one health and safety course per annum and also to achieve a target of at least 10% of its employees to be trained on health and safety related issues.

Fire Drill 2024



How to use fire extinguisher



Work Related Injuries

Preventing workplace injuries include offering accident prevention and wellness programs, providing on-going education for employees, which includes briefing and also issuing adequate safety equipments to employees working at marginally risk area.

During the financial year, we are pleased to report zero work-related fatalities in the Group and we plan to maintain this result every year.

Sustainability Statement (continued)

Although there were a total of 5 lost time incidents which happened within the Group during the year which resulted in lost time incident rate of 0.67, we managed to maintain the lost time incident rate at below 1.00. The Group is committed to maintaining its lost time incident rate below 1.00 for future years.

	FY2022	FY2023	FY2024
Number of work-related fatalities	-	-	-
Number of lost time incident injuries	12	5	5
Lost time incident rate	1.46	0.65	0.67

Note:

The injury rate, fatality rate, and lost time incident rate are calculated based on the number of work-related injuries, fatalities, and lost time incidents, respectively, per 200,000 hours worked by employees based on the formula suggested by Bursa Malaysia. The 200,000 represents a standardized value of the total amount of hours that 100 employees work weekly for 40 hours for a duration of 50 weeks.

Local Communities / Society

Community surrounding the business premises is one of the key foundations of our existence, success and survival. The community provides the market, human capital and a range of supporting services and activities crucial to our business growth and operations. Hence, we take every opportunity to build rapport with people in the communities around us. In addition, we are committed to giving back to the community particularly to the underprivileged and those with financial burdens.

During the year, the Group has fully sponsored the printing of the “Penang City Eye”, a quarterly pictorial magazine dedicated to promoting Penang’s culture and heritage. A total of four (4) issuances comprising of 8,000 booklets have been printed during the year for which a total printing cost of RM 36,326 was incurred in FY 2024. The magazine, creatively written, aims to foster a new understanding of and appreciation for Penang’s lifestyle, customs and creative endeavours. It is available free of charge from arts and lifestyle establishments such as cafes, restaurants, schools and homestay houses in Penang. In addition to the above, the Group has also donated a total of RM 39,400 in cash to Penang City Eye Magazine to support its daily operation during the year.



Sustainability Statement (continued)

The Group also actively contributed to the society through regular donations in cash and non-cash items such as files and stationary items to the various schools and charity organizations. During the year, a total of RM 70,192 has been donated to various schools and charity organizations.

	FY2022	FY2023	FY2024
Total amount invested where the target beneficiaries are external parties	RM 96,832	RM 93,690	RM 145,918
Total number of beneficiaries of the investment in community	7	8	18

SMJK Phor Tay Hari Keusahawanan 2023



Pure Lotus Hospice of Compassion



In addition, we have also outsourced some of the assembly and packing duties to the household community including the handicapped in order to provide them with an opportunity to make a sustainable living. During the year, a total value of RM 9,246 in simple assembly and packing has been outsourced to them.

	FY2022	FY2023	FY2024
Total amount paid to handicapped parties	RM 5,308	RM 8,791	RM 9,246
Total number of handicapped parties	4	4	4

Sustainability Statement (continued)

Performance Data Table Generated from Bursa Malaysia's ESG Reporting Platform

Indicator	Measurement Unit	2024
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	100.00
Executive	Percentage	71.00
Non-executive/Technical Staff	Percentage	31.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	69.60
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	42,363.05
Bursa (Emissions management)		
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	839.00
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	9,361.00
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	176.51
Bursa (Waste management)		
Bursa C10(a) Total waste generated	Metric tonnes	3,911.00
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	3,128.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	783.00
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	0.00
Management Between 30-50	Percentage	52.70
Management Above 50	Percentage	47.30
Executive Under 30	Percentage	14.40
Executive Between 30-50	Percentage	44.90
Executive Above 50	Percentage	40.70
Non-executive/Technical Staff Under 30	Percentage	29.30
Non-executive/Technical Staff Between 30-50	Percentage	46.10
Non-executive/Technical Staff Above 50	Percentage	24.60
Gender Group by Employee Category		
Management Male	Percentage	60.00
Management Female	Percentage	40.00
Executive Male	Percentage	41.50
Executive Female	Percentage	58.50
Non-executive/Technical Staff Male	Percentage	79.50
Non-executive/Technical Staff Female	Percentage	20.50
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	50.00
Female	Percentage	50.00
Between 50-60	Percentage	50.00
Above 60	Percentage	50.00
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	566
Executive	Hours	688
Non-executive/Technical Staff	Hours	2,243
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	1.10
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	6
Executive	Number	13
Non-executive/Technical Staff	Number	134
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.67
Bursa C5(c) Number of employees trained on health and safety standards	Number	696
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	145,918.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	18

Internal assurance

External assurance

No assurance

(*)Restated

Additional Compliance Information

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

1. Utilisation of Proceeds Raised from Corporate Proposals

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

2. Share Buy-back

During the financial year, a total of 707,000 shares of the Company were purchased and retained as treasury shares pursuant to the Shares Buy Back scheme.

The details of share buy-back during the year are as follows:

Date of Purchase	Number of Shares Purchased	Lowest Price (RM)	Highest Price (RM)	Average Price (RM)	Total Consideration (RM)
31 May 2023	7,000	1.70	1.70	1.70	11,952
7 June 2023	700,000	1.71	1.71	1.71	1,199,558

3. Employees’ Share Option Scheme (“ESOS”)

- (i) The Employees’ Share Option Scheme (“ESOS”) of the Company was approved by shareholders at the Extraordinary General Meeting held on 4 March 2022. The implementation of the ESOS is effective from 8 March 2022.
- (ii) The total number of ESOS options granted, exercised, forfeited and outstanding since its commencement up to 31 March 2024 is set out in the tables below:

Description	Number of Options as at 31 March 2024	
	Total Allocated to the Group	Executive Director of the Company
Granted	11,033,000	1,100,000
Exercised	709,200	330,000
Forfeited	846,700	-
Options Outstanding	9,477,100	770,000

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

Executive and Senior Management	Since commencement up to 31 March 2024
Aggregate maximum allocation	70.00%
Actual granted	28.91%

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

Additional Compliance Information (continued)

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 RM 45,700 and RM 641,213 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 RM 5,800 and RM 18,550 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 2024.

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 31 to the Financial Statements.

Compliance Statement

The Group has complied with the relevant principles and practices of the Malaysian Code on Corporate Governance in so far as they are applicable to the Group. The explanations 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 2024.

PRINCIPAL ACTIVITIES

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

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

RESULTS

	Group RM	Company RM
Profit for the financial year	<u>52,194,025</u>	<u>16,582,457</u>
Profit attributable to:		
Owners of the parent	52,074,605	16,582,457
Non-controlling interests	<u>119,420</u>	<u>-</u>
	<u>52,194,025</u>	<u>16,582,457</u>

DIVIDENDS

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

	Company RM
In respect of financial year ended 31 March 2023:	
Single tier final dividend of 3.50 sen per ordinary share, paid on 26 October 2023	<u>6,807,495</u>
In respect of financial year ended 31 March 2024:	
Single tier first interim dividend of 3.50 sen per ordinary share, paid on 7 February 2024	6,812,795
Single tier second interim dividend of 3.50 sen per ordinary share, paid on 23 May 2024	<u>6,816,644</u>
	<u>13,629,439</u>

Directors' Report (continued)

DIVIDENDS (continued)

The Directors recommend a single tier final dividend of 3.50 sen per ordinary share, amounting to RM6,820,687 based on the number of ordinary shares in issue as at the date of this report, in respect of the financial year ended 31 March 2024, subject to the approval of members at the forthcoming Annual General Meeting.

RESERVES AND PROVISIONS

Material transfers to or from reserves or provisions during the financial year include the following:

	Group RM	Company RM
Issuance of ordinary shares pursuant to Employees' Share Option Scheme ('ESOS')	(244,792)	(244,792)
Purchase of treasury shares	(1,211,510)	(1,211,510)
Share options vested under ESOS	<u>1,109,853</u>	<u>1,109,853</u>

ISSUE OF SHARES AND DEBENTURES

During the financial year, the issued and fully paid-up ordinary shares of the Company was increased from 194,813,360 ordinary shares to 195,468,760 ordinary shares by way of issuance of 655,400 new ordinary shares pursuant to 655,400 options exercised under the ESOS at exercise price of RM1.5542 each for cash, totalling of RM1,018,623.

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

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

OPTIONS GRANTED OVER UNISSUED SHARES

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

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

Directors' Report (continued)

OPTIONS GRANTED OVER UNISSUED SHARES (continued)

The salient features of the ESOS are as follows:

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

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

Date of offer	Number of options over ordinary shares					
	Balance as at 1.4.2023	Granted	Exercised	Forfeited*	Balance as at 31.3.2024[^]	Exercisable as at 31.03.2024
24 June 2022	10,696,000	-	(655,400)	(563,500)	9,477,100	2,370,000
Exercise price (RM)						1.5542

* Due to resignation

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

Directors' Report (continued)

REPURCHASE OF OWN SHARES

At the Annual General Meeting held on 29 September 2023, 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.

During the financial year, the Company repurchased 707,000 of its issued ordinary shares from the open market at an average price of RM1.71 per ordinary share. The total consideration paid, net of transactions costs, for the repurchased shares was RM1,211,510 and was financed by internally generated funds.

As at 31 March 2024, the Company held a total of 707,500 ordinary shares as treasury shares out of its 195,468,760 issued and fully paid-up ordinary shares. Such shares are held at a carrying amount of RM1,213,641. The share repurchased are being held as treasury shares in accordance with Section 127(4)(b) of the Companies Act 2016 in Malaysia and the Main Market Listing Requirements and applicable guideline of Bursa Malaysia Securities.

DIRECTORS

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

Asia File Corporation Bhd.

Dato' Lim Soon Huat

Lam Voon Kean

Chua Hooi Luan

Lee Thean Yew

Ng Chin Nam

(Appointed on 30 June 2023)

(Retired on 30 June 2023)

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.

Dato' Lim Soon Huat
 Chan Sook Chin
 Goh Phaik Ngoh
 Lim Chin Chin
 Lim Hooi Ling
 Lim Mei Chin
 Rodney Christopher Martin
 Lim Soon Hee
 Hubertus Rohe (Retired on 30 September 2023)

DIRECTORS' INTERESTS

The Director holding office at the end of the financial year and his beneficial interests in the ordinary shares and options over ordinary shares of the Company and of its related corporations during the financial year ended 31 March 2024 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>1-4-2023</u>	<u>Bought</u>	<u>Sold</u>	<u>31-3-2024</u>
Shares in the Company				
<u>Direct interest:</u>				
Dato' Lim Soon Huat	3,696,455	2,429,000	-	6,125,455
<u>Indirect interest:</u>				
Dato' Lim Soon Huat #	88,116,911	1,695,300	-	89,812,211
Shares options in the Company				
<u>Direct interest:</u>				
Dato' Lim Soon Huat	1,100,000	-	(330,000)	770,000
<u>Indirect interest:</u>				
Dato' Lim Soon Huat ^	1,600,000	-	-	1,600,000

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

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

Directors' Report (continued)

DIRECTORS' INTERESTS (continued)

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

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

DIRECTORS' BENEFITS

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

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

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

DIRECTORS' REMUNERATION

Directors' remuneration of the Group and of the Company for the financial year ended 31 March 2024 were as follows:

	Group RM	Company RM
Fees	384,251	309,588
Other emoluments	4,106,370	3,235,105
Share options granted under share options scheme	113,810	113,810
Benefits-in-kind	28,000	28,000
	<u>4,632,431</u>	<u>3,686,503</u>

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

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

Directors' Report (continued)

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

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

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

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

Directors' Report (continued)

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

(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.

AUDITORS

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

Auditors' remuneration of the Group and of the Company for the financial year ended 31 March 2024 were as follows:

	Group RM	Company RM
Statutory audit		
- BDO PLT, Malaysia	134,200	45,700
- BDO member firms	507,013	-
- other auditors	21,800	-
Other services		
- BDO PLT, Malaysia	5,800	5,800
- BDO member firms	12,750	-
	<u>681,563</u>	<u>51,500</u>

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

Dato' Lim Soon Huat
Director

Lam Voon Kean
Director

Penang
23 July 2024

Statement by Directors

In the opinion of the Directors, the financial statements set out on pages 71 to 137 have been drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting 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 2024 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

Dato' Lim Soon Huat
Director

Lam Voon Kean
Director

Penang
23 July 2024

Statutory Declaration

I, Goh Phaik Ngoh (CA 11330), being the officer primarily responsible for the financial management of Asia File Corporation Bhd., do solemnly and sincerely declare that the financial statements set out on pages 71 to 137 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 George Town in the State of
Penang this 23 July 2024

Goh Phaik Ngoh
Chief Financial Officer

Before me,

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

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Asia File Corporation Bhd., which comprise the statements of financial position as at 31 March 2024 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 material accounting policy information, as set out on pages 71 to 137.

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 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ('MFRSs'), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Valuation of inventories

Inventories of the Group as at 31 March 2024 were RM90,651,512 as disclosed in Note 13 to the financial statements.

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

Independent Auditors' Report

To the Members of Asia File Corporation Bhd. (continued)

Key Audit Matters (continued)

Audit response

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

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

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

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRSs, IFRS Accounting Standards, 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.

Independent Auditors' Report

To the Members of Asia File Corporation Bhd. (continued)

Responsibilities of the Directors for the Financial Statements (continued)

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.
- (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.

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

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

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 (continued):

- (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 9 to the financial statements.

Other Matters

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

BDO PLT
201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

Lee Beng Tuan
03271/07/2026 J
Chartered Accountant

Penang
23 July 2024

Statements of Financial Position

As At 31 March 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
ASSETS					
Non-current assets					
Property, plant and equipment	5	104,072,491	110,352,171	1,487	1,795
Right-of-use assets	6	4,511,391	6,379,408	-	-
Investment properties	7	9,513,202	3,812,671	-	-
Intangible assets	8	30,234,474	30,234,474	-	-
Investments in subsidiaries	9	-	-	226,752,265	226,015,915
Investment in an associate	10	215,064,092	217,847,153	35,683,093	35,683,093
Other investments	14	-	25,047,768	-	-
Deferred tax asset	12	-	400,000	-	-
		363,395,650	394,073,645	262,436,845	261,700,803
Current assets					
Inventories	13	90,651,512	97,645,535	-	-
Trade and other receivables	11	51,976,648	60,918,150	7,895,651	2,608,380
Other investments	14	30,005,710	1,013,288	1,907,452	142,691
Current tax assets		6,327	7,246	-	-
Cash and bank balances	15	316,958,069	248,061,603	18,564,761	22,321,349
		489,598,266	407,645,822	28,367,864	25,072,420
TOTAL ASSETS		852,993,916	801,719,467	290,804,709	286,773,223
EQUITY AND LIABILITIES					
Equity attributable to the owners of the parent					
Share capital	16	203,697,692	202,434,277	203,697,692	202,434,277
Treasury shares	17	(1,213,641)	(2,131)	(1,213,641)	(2,131)
Reserves	18	589,477,434	545,706,993	80,707,162	83,696,578
		791,961,485	748,139,139	283,191,213	286,128,724
Non-controlling interests		728,373	542,993	-	-
TOTAL EQUITY		792,689,858	748,682,132	283,191,213	286,128,724

Statements of Financial Position
As At 31 March 2024 (continued)

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
LIABILITIES					
Non-current liabilities					
Lease liabilities	6	183,412	1,824,137	-	-
Deferred tax liabilities	12	15,977,949	16,090,438	-	-
		16,161,361	17,914,575	-	-
Current liabilities					
Lease liabilities	6	1,348,246	1,290,337	-	-
Trade and other payables	19	36,787,879	29,782,264	7,466,325	529,993
Current tax liabilities		6,006,572	4,050,159	147,171	114,506
		44,142,697	35,122,760	7,613,496	644,499
TOTAL LIABILITIES		60,304,058	53,037,335	7,613,496	644,499
TOTAL EQUITY AND LIABILITIES		852,993,916	801,719,467	290,804,709	286,773,223

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 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Revenue	21	294,235,077	317,565,205	22,597,808	20,092,859
Cost of sales		(191,251,694)	(208,511,303)	-	-
Gross profit		102,983,383	109,053,902	22,597,808	20,092,859
Other income	22	26,594,164	8,970,516	1,360,532	596,921
Distribution costs		(25,890,402)	(26,720,967)	-	-
Administrative expenses		(37,606,756)	(36,302,835)	(7,053,358)	(6,263,521)
Other operating expenses		(166,026)	(2,282,629)	(1,282)	(187,413)
Finance costs	26	(119,483)	(224,374)	-	-
Net gains/(losses) on impairment of financial assets		28,964	(8,754)	-	-
Share of loss of an associate, net of tax		(1,096,354)	(8,665,411)	-	-
Profit before tax		64,727,490	43,819,448	16,903,700	14,238,846
Tax expense	27	(12,533,465)	(12,107,705)	(321,243)	(301,439)
Profit for the financial year		52,194,025	31,711,743	16,582,457	13,937,407
Other comprehensive income, net of tax					
Item that may be reclassified subsequently to profit or loss					
Foreign currency translations		10,129,764	1,263,451	-	-

Statements of Profit or Loss and Other Comprehensive Income
For the Financial Year Ended 31 March 2024 (continued)

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Item that will not be reclassified subsequently to profit or loss					
Share of other comprehensive income of equity-accounted associate		1,203,905	604,321	-	-
Other comprehensive income for the financial year, net of tax		11,333,669	1,867,772	-	-
Total comprehensive income for the financial year		<u>63,527,694</u>	<u>33,579,515</u>	<u>16,582,457</u>	<u>13,937,407</u>
Profit attributable to:					
Owners of the parent		52,074,605	31,633,027	16,582,457	13,937,407
Non-controlling interests		119,420	78,716	-	-
		<u>52,194,025</u>	<u>31,711,743</u>	<u>16,582,457</u>	<u>13,937,407</u>
Total comprehensive income attributable to:					
Owners of the parent		63,342,314	33,504,660	16,582,457	13,937,407
Non-controlling interests		185,380	74,855	-	-
		<u>63,527,694</u>	<u>33,579,515</u>	<u>16,582,457</u>	<u>13,937,407</u>
Earnings per ordinary share attributable to equity holders of the Company (sen):					
Basic	28(a)	<u>26.78</u>	<u>16.24</u>		
Diluted	28(b)	<u>26.52</u>	<u>16.11</u>		

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

Statements of Changes in Equity For the Financial Year Ended 31 March 2024

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

Statements of Changes in Equity

For the Financial Year Ended 31 March 2024 (continued)

Group	Share capital RM	Treasury shares RM	Exchange translation reserve RM	Share options reserve RM	Retained earnings RM	Total attributable to owners of the parent RM	Non-controlling interests RM	Total RM
Balance as at 1 April 2023	202,434,277	(2,131)	18,474,997	1,792,427	525,439,569	748,139,139	542,993	748,682,132
Profit for the financial year	-	-	-	-	52,074,605	52,074,605	119,420	52,194,025
Foreign currency translations	-	-	10,063,804	-	-	10,063,804	65,960	10,129,764
Share of other comprehensive income of equity-accounted associate	-	-	1,203,905	-	-	1,203,905	-	1,203,905
Total comprehensive income	-	-	11,267,709	-	52,074,605	63,342,314	185,380	63,527,694
Transactions with owners								
Dividends paid and payable	-	-	-	-	(20,436,934)	(20,436,934)	-	(20,436,934)
Issuance of ordinary shares pursuant to ESOS	1,263,415	-	-	(244,792)	-	1,018,623	-	1,018,623
Purchase of treasury shares	-	(1,211,510)	-	-	-	(1,211,510)	-	(1,211,510)
Share options vested under ESOS	-	-	-	1,109,853	-	1,109,853	-	1,109,853
Transfer of share options reserve to retained earnings upon lapse of ESOS	-	-	-	(151,998)	151,998	-	-	-
Total transactions with owners	1,263,415	(1,211,510)	-	713,063	(20,284,936)	(19,519,968)	-	(19,519,968)
Balance as at 31 March 2024	203,697,692	(1,213,641)	29,742,706	2,505,490	557,229,238	791,961,485	728,373	792,689,858

Statements of Changes In Equity
For the Financial Year Ended 31 March 2024 (continued)

Company	Note	Share capital RM	Treasury shares RM	Share options reserve RM	Retained earnings RM	Total RM
Balance as at 1 April 2022		202,330,568	(2,131)	-	71,819,490	274,147,927
Profit for the financial year		-	-	-	13,937,407	13,937,407
Other comprehensive income, net of tax		-	-	-	-	-
Total comprehensive income		-	-	-	13,937,407	13,937,407
Transactions with owners						
Dividends paid	29	-	-	-	(3,895,691)	(3,895,691)
Issuance of ordinary shares pursuant to ESOS	16	103,709	-	(20,094)	-	83,615
Share options vested under ESOS		-	-	1,855,466	-	1,855,466
Transfer of share options reserve to retained earnings upon lapse of ESOS		-	-	(42,945)	42,945	-
Total transactions with owners		103,709	-	1,792,427	(3,852,746)	(1,956,610)
Balance as at 31 March 2023		202,434,277	(2,131)	1,792,427	81,904,151	286,128,724

Statements of Changes In Equity

For the Financial Year Ended 31 March 2024 (continued)

Company	Share capital RM	Treasury shares RM	Share options reserve RM	Retained earnings RM	Total RM
Balance as at 1 April 2023	202,434,277	(2,131)	1,792,427	81,904,151	286,128,724
Profit for the financial year	-	-	-	16,582,457	16,582,457
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive income	-	-	-	16,582,457	16,582,457
Transactions with owners					
Dividends paid and payable	-	-	-	(20,436,934)	(20,436,934)
Issuance of ordinary shares pursuant to ESOS	1,263,415	-	(244,792)	-	1,018,623
Purchase of treasury shares	-	(1,211,510)	-	-	(1,211,510)
Share options vested under ESOS	-	-	1,109,853	-	1,109,853
Transfer of share options reserve to retained earnings upon lapse of ESOS	-	-	(151,998)	151,998	-
Total transactions with owners	1,263,415	(1,211,510)	713,063	(20,284,936)	(19,519,968)
Balance as at 31 March 2024	203,697,692	(1,213,641)	2,505,490	78,201,672	283,191,213

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

Statements of Cash Flows

For the Financial Year Ended 31 March 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		64,727,490	43,819,448	16,903,700	14,238,846
Adjustments for:					
Bad debts written off		11,653	2,530	-	-
Depreciation of:					
- property, plant and equipment	5	9,841,401	9,760,278	308	308
- right-of-use assets	6	1,635,556	1,546,426	-	-
- investment properties	7	86,151	86,151	-	-
Distribution income	22	(5,065)	(224,033)	(541)	(7,059)
Dividend income from:					
- subsidiaries	21	-	-	(14,877,912)	(12,754,550)
- an associate	21	-	-	(697,568)	(871,960)
Fair value gain on other investments	22	(144,666)	(207,151)	(1,204)	(156,537)
Gain on disposal of property, plant and equipment	22	(17,334)	(86,757)	-	-
Impairment losses on trade receivables	11(g)	-	8,754	-	-
Inventories written back	13(c)	(2,168,514)	(730,520)	-	-
Inventories written down	13(c)	395,614	2,450,057	-	-
Inventories written off	13(c)	467,076	-	-	-
Property, plant and equipment written off		26	5,480	-	-
Reversal of impairment losses on trade receivables	11(g)	(28,964)	-	-	-
Unrealised gain on foreign exchange	22	(1,787,808)	(3,164,723)	(119,329)	(138,150)
Interest expense	26	119,483	224,374	-	-
Interest income from:					
- bank balances	22	(11,682,407)	(4,200,950)	(894,917)	(294,723)
- other investments	22	(1,932,729)	(254,432)	-	-
Share options vested under ESOS	23	1,109,853	1,855,466	373,503	623,925
Share of loss of an associate, net of tax		1,096,354	8,665,411	-	-
Operating profit before working capital changes		61,723,170	59,555,809	686,040	640,100

Statements of Cash Flows

For the Financial Year Ended 31 March 2024 (continued)

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
CASH FLOWS FROM OPERATING ACTIVITIES (continued)					
Operating profit before working capital changes (continued)		61,723,170	59,555,809	686,040	640,100
Working capital changes:					
Inventories		12,754,336	10,588,199	-	-
Trade and other receivables		11,508,619	7,655,725	(5,287,271)	497,072
Trade and other payables		(2,987,743)	(7,356,427)	119,688	(51,906)
Cash generated from/(used in) operations		82,998,382	70,443,306	(4,481,543)	1,085,266
Tax paid		(11,001,466)	(8,877,489)	(288,578)	(171,353)
Tax refunded		1,922	-	-	-
Net cash from/(used in) operating activities		71,998,838	61,565,817	(4,770,121)	913,913
CASH FLOWS FROM INVESTING ACTIVITIES					
Dividends received from:					
- subsidiaries		-	-	14,877,912	12,754,550
- an associate		2,890,612	3,613,265	697,568	871,960
Interest received		13,615,136	4,455,382	894,917	294,723
Net changes in deposits with licensed banks with maturity of more than three (3) months		21,206,000	(85,050,000)	9,500,000	(17,500,000)
Net (purchase)/redemption of short-term funds		(3,794,923)	80,127,132	(1,763,016)	6,420,000
Proceeds from disposal of property, plant and equipment		18,421	86,772	-	-
Purchase of property, plant and equipment	5	(6,781,860)	(5,918,503)	-	-
Subscription of quoted bond		-	(25,047,500)	-	-
Net cash from/(used in) investing activities		27,153,386	(27,733,452)	24,207,381	2,841,233

Statements of Cash Flows
For the Financial Year Ended 31 March 2024 (continued)

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid		(13,620,290)	(3,895,691)	(13,620,290)	(3,895,691)
Interest paid		-	(76,645)	-	-
Payment of lease liabilities	6	(1,951,681)	(1,941,923)	-	-
Proceeds from issuance of ordinary shares pursuant to ESOS	16(a)	1,018,623	83,615	1,018,623	83,615
Purchase of treasury shares	17	(1,211,510)	-	(1,211,510)	-
Net repayment of short-term borrowings		-	(2,365,267)	-	-
Net cash used in financing activities		<u>(15,764,858)</u>	<u>(8,195,911)</u>	<u>(13,813,177)</u>	<u>(3,812,076)</u>
Net increase/(decrease) in cash and cash equivalents		83,387,366	25,636,454	5,624,083	(56,930)
Effects of exchange rate changes		6,715,100	3,792,666	119,329	138,150
Cash and cash equivalents at beginning of financial year		<u>163,011,603</u>	<u>133,582,483</u>	<u>4,821,349</u>	<u>4,740,129</u>
Cash and cash equivalents at end of financial year	15(c)	<u><u>253,114,069</u></u>	<u><u>163,011,603</u></u>	<u><u>10,564,761</u></u>	<u><u>4,821,349</u></u>

Statements of Cash Flows

For the Financial Year Ended 31 March 2024 (continued)

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Group	Lease liabilities (Note 6) RM	Short-term borrowings RM
Balance as at 1 April 2023	3,114,474	-
Cash flows	(1,951,681)	-
Non-cash flows:		
- exchange differences	249,382	-
- unwinding of interest	119,483	-
Balance as at 31 March 2024	<u>1,531,658</u>	<u>-</u>
Balance as at 1 April 2022	4,999,381	2,366,477
Cash flows	(1,941,923)	(2,365,267)
Non-cash flows:		
- exchange differences	(90,713)	(1,210)
- unwinding interest	147,729	-
Balance as at 31 March 2023	<u>3,114,474</u>	<u>-</u>

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

Notes to the Financial Statements

31 March 2024

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 Suite 18.05, MWE Plaza, No. 8, Lebuhraya Farquhar, 10200 George Town, Penang.

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

The consolidated financial statements for the financial year ended 31 March 2024 comprise the Company and its subsidiaries and the interests of the Group in an associate. These financial statements are presented in Ringgit Malaysia ('RM'), which is also the functional currency of the Company.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 23 July 2024.

2. PRINCIPAL ACTIVITIES

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

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

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ('MFRSs'), IFRS Accounting Standards 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 33.1 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 2024 (continued)

4. OPERATING SEGMENTS

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

The reportable segments of the Group are as follows:

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

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

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

(a) Reportable segments

Group	Filing products RM	Consumer and food ware products RM	Total RM
2024			
Segment profits	44,135,069	7,714,960	51,850,029
<i>Included in the measure of segment profits are:</i>			
Revenue from external customers	247,179,961	46,974,788	294,154,749
Depreciation of:			
- property, plant and equipment	6,739,600	3,101,801	9,841,401
- right-of-use assets	1,531,090	104,466	1,635,556
- investment properties	48,226	37,925	86,151

Notes to the Financial Statements
31 March 2024 (continued)

4. OPERATING SEGMENTS (continued)

(a) Reportable segments (continued)

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

(b) Reconciliations

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

Group	2024 RM	2023 RM
Revenue		
Total revenue for reportable segments	294,154,749	317,487,656
Revenue for non-reportable segment	<u>80,328</u>	<u>77,549</u>
Revenue of the Group per consolidated statement of profit or loss and other comprehensive income	<u>294,235,077</u>	<u>317,565,205</u>
Profit for the financial year		
Total profit for reportable segments	51,850,029	47,985,542
Profit/(Loss) for non-reportable segment	328,431	(162,875)
Finance costs	(119,483)	(224,374)
Investing results*	13,764,867	4,886,566
Share of loss of an associate, net of tax	(1,096,354)	(8,665,411)
Tax expense	<u>(12,533,465)</u>	<u>(12,107,705)</u>
Profit for the financial year	<u>52,194,025</u>	<u>31,711,743</u>

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

Notes to the Financial Statements

31 March 2024 (continued)

4. OPERATING SEGMENTS (continued)

(c) Geographical information

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

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

Group	Revenue		Non-current assets	
	2024 RM	2023 RM	2024 RM	2023 RM
Malaysia	73,962,815	82,551,334	79,917,176	80,911,803
Asia (excluding Malaysia)	5,289,268	7,007,939	-	-
Europe	204,164,417	215,613,208	68,414,382	69,866,921
America	1,938,899	2,939,726	-	-
Others	8,879,678	9,452,998	-	-
	<u>294,235,077</u>	<u>317,565,205</u>	<u>148,331,558</u>	<u>150,778,724</u>

(d) Major customers

A major customer of the Group, with revenue equal or more than ten percent (10%) of the revenue of the Group, contributes approximately RM49,546,915 (2023: RM47,658,008) of the revenue of the Group.

Notes to the Financial Statements
31 March 2024 (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 2023	17,438,509	103,863,570	202,372,631	22,064,671	10,652,574	356,391,955
Additions	-	329,997	5,035,595	345,068	1,071,200	6,781,860
Disposals	-	-	(1,693,474)	(59,288)	(158,150)	(1,910,912)
Written off	-	-	-	(43,018)	-	(43,018)
Transfer from right-of-use assets (Note 6)	-	-	630,666	-	-	630,666
Transfer to investment properties (Note 7)	(3,868,046)	(4,641,502)	-	-	-	(8,509,548)
Exchange differences	289,966	3,163,410	6,251,791	1,049,721	290,357	11,045,245
Balance as at 31 March 2024	13,860,429	102,715,475	212,597,209	23,357,154	11,855,981	364,386,248
Accumulated depreciation						
Balance as at 1 April 2023	-	51,654,428	165,480,795	20,285,111	8,619,450	246,039,784
Charge for the financial year	-	2,462,753	6,221,369	341,001	816,278	9,841,401
Disposals	-	-	(1,693,474)	(58,201)	(158,150)	(1,909,825)
Written off	-	-	-	(42,992)	-	(42,992)
Transfer from right-of-use assets (Note 6)	-	-	154,000	-	-	154,000
Transfer to investment properties (Note 7)	-	(2,722,866)	-	-	-	(2,722,866)
Exchange differences	-	2,206,560	5,478,219	1,002,808	266,668	8,954,255
Balance as at 31 March 2024	-	53,600,875	175,640,909	21,527,727	9,544,246	260,313,757
Carrying amount						
Balance as at 31 March 2024	13,860,429	49,114,600	36,956,300	1,829,427	2,311,735	104,072,491

Notes to the Financial Statements
31 March 2024 (continued)

5. PROPERTY, PLANT AND EQUIPMENT (continued)

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

Notes to the Financial Statements
31 March 2024 (continued)

5. PROPERTY, PLANT AND EQUIPMENT (continued)

Company	2024 RM	2023 RM
Office equipment, furniture and fittings		
At cost		
Balance as at 1 April 2023/2022 and 31 March	2,615	2,615
Accumulated depreciation		
Balance as at 1 April 2023/2022	820	512
Charge for the financial year	308	308
Balance as at 31 March	1,128	820
Carrying amount		
Balance as at 31 March	1,487	1,795

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

Buildings	2% - 10%
Plant and machinery	5% - 33%
Office equipment, furniture and fittings	8% - 33%
Motor vehicles	20% - 25%

Notes to the Financial Statements
31 March 2024 (continued)

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Right-of-use assets

Group	Balance as at 1 April 2023 RM	Charge for the financial year RM	Transfer to property, plant and equipment (Note 5) RM	Exchange differences RM	Balance as at 31 March 2024 RM
Carrying amount					
Leasehold lands	2,950,024	(92,448)	-	-	2,857,576
Building	2,908,718	(1,499,108)	-	244,205	1,653,815
Plant and machinery	520,666	(44,000)	(476,666)	-	-
	<u>6,379,408</u>	<u>(1,635,556)</u>	<u>(476,666)</u>	<u>244,205</u>	<u>4,511,391</u>

Group	Balance as at 1 April 2022 RM	Charge for the financial year RM	Exchange differences RM	Balance as at 31 March 2023 RM
Carrying amount				
Leasehold lands	3,042,472	(92,448)	-	2,950,024
Building	4,352,209	(1,359,745)	(83,746)	2,908,718
Plant and machinery	614,899	(94,233)	-	520,666
	<u>8,009,580</u>	<u>(1,546,426)</u>	<u>(83,746)</u>	<u>6,379,408</u>

Notes to the Financial Statements
31 March 2024 (continued)

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

Lease liabilities

Group	Balance as at 1 April 2023 RM	Lease payments RM	Interest expense RM	Exchange differences RM	Balance as at 31 March 2024 RM
Carrying amount					
Building	3,007,510	(1,818,125)	92,891	249,382	1,531,658
Plant and machinery	106,964	(133,556)	26,592	-	-
	<u>3,114,474</u>	<u>(1,951,681)</u>	<u>119,483</u>	<u>249,382</u>	<u>1,531,658</u>

Group	Balance as at 1 April 2022 RM	Lease payments RM	Interest expense RM	Exchange differences RM	Balance as at 31 March 2023 RM
Carrying amount					
Building	4,616,182	(1,649,111)	131,152	(90,713)	3,007,510
Plant and machinery	383,199	(292,812)	16,577	-	106,964
	<u>4,999,381</u>	<u>(1,941,923)</u>	<u>147,729</u>	<u>(90,713)</u>	<u>3,114,474</u>

Notes to the Financial Statements
31 March 2024 (continued)

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

Lease liabilities (continued)

	Group	
	2024	2023
	RM	RM
Represented by:		
Current liabilities	1,348,246	1,290,337
Non-current liabilities	183,412	1,824,137
	1,531,658	3,114,474
Lease liabilities owing to financial institutions	-	106,964
Lease liabilities owing to non-financial institutions	1,531,658	3,007,510
	1,531,658	3,114,474

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

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

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

Leasehold lands	27 - 31 years (2023: 28 - 32 years)
Building	1 year (2023: 2 years)
Plant and machinery	Nil (2023: 1 year)

- (c) The Group has certain leases of assets with lease term of twelve (12) months or less. The Group applies the "short-term lease" exemptions for these leases.
- (d) The Group leases a lease contract that includes extension and termination option. This is used to maximise operational flexibility in terms of managing the asset used in the operations of the Group.

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

Notes to the Financial Statements
31 March 2024 (continued)

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

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

	Group	
	2024	2023
	RM	RM
Depreciation charge of right-of-use assets (included in cost of sales)	44,000	94,233
Depreciation charge of right-of-use assets (included in administrative expenses)	1,591,556	1,452,193
Interest expense on lease liabilities (included in finance costs)	119,483	147,729
Expenses relating to short-term leases (included in cost of sales)	266,947	257,199
Expenses relating to short-term leases (included in administrative expenses)	83,057	59,960
	2,105,043	2,011,314

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

	Group	
	2024	2023
	RM	RM
Included in net cash flows from operating activities:		
Payment relating to short-term leases	350,004	317,159
Included in net cash flows from financing activities:		
Payment of lease liabilities	1,951,681	1,941,923
Total cash outflows for leases	2,301,685	2,259,082

(g) Information on financial risks of lease liabilities is disclosed in Note 32 to the financial statements.

Notes to the Financial Statements
31 March 2024 (continued)

7. INVESTMENT PROPERTIES

Group	Freehold land RM	Leasehold lands RM	Buildings RM	Total RM
Carrying amount				
Balance as at 1 April 2023	603,764	220,594	2,988,313	3,812,671
Transfer from property, plant and equipment (Note 5)	3,868,046	-	1,918,636	5,786,682
Depreciation charge for the financial year	-	(6,894)	(79,257)	(86,151)
Balance as at 31 March 2024	<u>4,471,810</u>	<u>213,700</u>	<u>4,827,692</u>	<u>9,513,202</u>
As at 31 March 2024				
Cost	4,471,810	379,155	8,604,321	13,455,286
Accumulated depreciation	-	(165,455)	(3,776,629)	(3,942,084)
Carrying amount	<u>4,471,810</u>	<u>213,700</u>	<u>4,827,692</u>	<u>9,513,202</u>
Carrying amount				
Balance as at 1 April 2022	603,764	227,488	3,067,570	3,898,822
Depreciation charge for the financial year	-	(6,894)	(79,257)	(86,151)
Balance as at 31 March 2023	<u>603,764</u>	<u>220,594</u>	<u>2,988,313</u>	<u>3,812,671</u>
As at 31 March 2023				
Cost	603,764	379,155	3,962,819	4,945,738
Accumulated depreciation	-	(158,561)	(974,506)	(1,133,067)
Carrying amount	<u>603,764</u>	<u>220,594</u>	<u>2,988,313</u>	<u>3,812,671</u>

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

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

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

Leasehold lands	31 years (2023: 32 years)
Buildings	2%

Notes to the Financial Statements

31 March 2024 (continued)

7. INVESTMENT PROPERTIES (continued)

(b) (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.

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

	2024	2023
	RM	RM
Fair value	32,800,000	7,800,000

The fair value which amounted to RM32,800,000 (2023: RM7,800,000) was determined based on Directors' estimation using the market comparison method by reference to market evidence of transaction prices of similar properties and recent experience in the location and category of the properties being valued. The unobservable input into this valuation method is price per square foot of comparable properties. The estimated fair value would increase if the historical sales transaction prices were higher and vice versa.

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

(d) Rental income generated from renting of investment properties of the Group during the financial year amounted to RM492,407 (2023: RM468,636).

(e) Direct operating expenses arising from investment properties generating rental income during the financial year amounted to RM63,208 (2023: RM28,488).

(f) The Group has entered into non-cancellable operating lease agreements on certain properties for terms of up to three (3) years and renewable at the end of the lease period subject to an increase clause. The monthly rental consists of a fixed base rent.

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

	Group	
	2024	2023
	RM	RM
Less than one (1) year	984,288	474,996
One (1) to two (2) years	1,116,288	48,000
Two (2) to three (3) years	914,784	-
Three (3) to four (4) years	180,000	-
	3,195,360	522,996

Notes to the Financial Statements
31 March 2024 (continued)

8. INTANGIBLE ASSETS

Group	Goodwill RM	Customer contracts RM	Total RM
At cost			
Balance as at 1 April 2023	30,234,456	2,767,248	33,001,704
Exchange differences	-	172,938	172,938
Balance as at 31 March 2024	<u>30,234,456</u>	<u>2,940,186</u>	<u>33,174,642</u>
Accumulated amortisation			
Balance as at 1 April 2023	-	2,767,230	2,767,230
Exchange differences	-	172,938	172,938
Balance as at 31 March 2024	<u>-</u>	<u>2,940,168</u>	<u>2,940,168</u>
Carrying amount			
Balance as at 31 March 2024	<u>30,234,456</u>	<u>18</u>	<u>30,234,474</u>
At cost			
Balance as at 1 April 2022	30,234,456	2,698,067	32,932,523
Exchange differences	-	69,181	69,181
Balance as at 31 March 2023	<u>30,234,456</u>	<u>2,767,248</u>	<u>33,001,704</u>
Accumulated amortisation			
Balance as at 1 April 2022	-	2,698,049	2,698,049
Exchange differences	-	69,181	69,181
Balance as at 31 March 2023	<u>-</u>	<u>2,767,230</u>	<u>2,767,230</u>
Carrying amount			
Balance as at 31 March 2023	<u>30,234,456</u>	<u>18</u>	<u>30,234,474</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 seven (7) years.

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

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

Notes to the Financial Statements
31 March 2024 (continued)

8. INTANGIBLE ASSETS (continued)

- (c) Goodwill is tested for impairment on an annual basis by comparing the carrying amount with the recoverable amount of the CGU based on its value-in-use. The value-in-use calculations apply a discounted cash flow model using cash flow projections from the financial forecast based on the following assumptions:
- (i) Cash flows are projected based on the management's most recent five (5) years financial budgets.
 - (ii) The pre-tax discount rate used for cash flows discounting purpose is estimated based on an industry average cost of capital. The average discount rate applied for cash flow projections is 8% (2023: 8%).
 - (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 2024 as the recoverable amount of CGU was in excess of its carrying amount.

9. INVESTMENTS IN SUBSIDIARIES

	Company	
	2024	2023
	RM	RM
Unquoted equity shares, at cost	220,665,361	220,665,361
Share-based payments allocated to subsidiaries	6,086,904	5,350,554
	226,752,265	226,015,915

- (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 2024 (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
		2024	2023	
ABBA Marketing Sdn. Bhd. ^	Malaysia	100%	100%	Trading of stationery products, consumer and food wares, graphic designing and desktop publishing
AFP Composite Sdn. Bhd. ^	Malaysia	100%	100%	Manufacture and supply of plastic related products and filing products
Asia File Products Sdn. Bhd. ^	Malaysia	100%	100%	Manufacture and sale of stationery products, consumer and food wares and other paper and plastic based products
Formosa Technology Sdn. Bhd. ^	Malaysia	100%	100%	Manufacturing and trading 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, assembly and distribution of stationery products
Premier Stationery Pte. Ltd. #	Singapore	100%	100%	Trading of stationery products
Sin Chuan Marketing Sdn. Bhd. ^	Malaysia	100%	100%	Dormant
Supportive Technology Sdn. Bhd. #	Malaysia	100%	100%	Manufacturing and selling of consumer plastic ware products

Notes to the Financial Statements
31 March 2024 (continued)

9. INVESTMENTS IN SUBSIDIARIES (continued)

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

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2024	2023	
Subsidiary of Asia				
File Products Sdn. Bhd.				
Plastoreg Smidt GmbH *	Germany	100%	100%	Manufacture and distribution of stationery products
Plastoreg Eastlight Limited *	United Kingdom	100%	N/A	Manufacture and distribution of stationery products and consumer wares

^ Subsidiaries audited by BDO PLT, Malaysia

* Subsidiaries audited by BDO member firms

Subsidiary not audited by BDO PLT or BDO member firms

(c) Incorporation of a subsidiary, Plastoreg Eastlight Limited ('PEL')

On 2 May 2023, a wholly-owned subsidiary of the Company, Asia File Products Sdn. Bhd. ('AFP') incorporated a wholly-owned subsidiary, PEL in United Kingdom with an issued and paid-up share capital of GBP100 (equivalent to RM573).

On 1 September 2023, PEL had issued an additional 499,900 new ordinary shares of GBP1 each and 2,700,000 preference shares of GBP1 each for which AFP had fully subscribed for a total consideration of GBP499,900 (equivalent to RM2,864,427) and GBP2,700,000 (equivalent to RM15,471,000) respectively. Pursuant to that, the effective interest in equity interest in PEL remained at 100%.

(d) The Group does not have any subsidiary that has non-controlling interests, which is individually material to the Group for both financial years ended 31 March 2024 and 31 March 2023.

Notes to the Financial Statements
31 March 2024 (continued)

10. INVESTMENT IN AN ASSOCIATE

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Quoted equity shares, at cost	77,532,835	77,532,835	35,683,093	35,683,093
Share of post-acquisition reserves	137,531,257	140,314,318	-	-
	<u>215,064,092</u>	<u>217,847,153</u>	<u>35,683,093</u>	<u>35,683,093</u>

- (a) Investment in an associate is measured at cost less impairment losses, if any, in the separate financial statements of the Company and accounted for using the equity method in the consolidated financial statements.
- (b) The associate has a financial year of 31 December, which is not conterminous with the Group. The unaudited financial statements of the associate for financial period ended 31 March 2024 have been used in applying the equity method of accounting. The use of the unaudited financial statements is not expected to have any significant effects on the consolidated financial statements of the Group.
- (c) Details of the associate are as follows:

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activity
		2024	2023	
Muda Holdings Berhad*	Malaysia	23.69%	23.69%	Investment holding

* Not audited by BDO PLT or BDO member firms

- (d) The fair value of the investment in an associate of the Group and of the Company for disclosure purposes, which is at Level 1 of the fair value hierarchy, is RM102,616,726 (2023: RM115,624,480) and RM24,763,664 (2023: RM27,902,720) respectively.
- (e) As at 31 March 2024, the market value of the Group's investment in Muda Holdings Berhad which is based on the quoted shares is below the carrying amount of the investment in an associate. As this is a potential impairment indicator, the management has performed further impairment assessment on the carrying amount of the investments in an associate.

For the purpose of impairment assessment, the recoverable amount of the investment in an associate is determined based on the value-in-use calculation. The value-in-use is determined by discounting the future cash flows to be generated from continuing use of the associate. The key assumptions applied include the forecast growth rate, gross profit margin as well as determining the appropriate pre-tax discount rate. The pre-tax discount rate applied is 8.70%.

Notes to the Financial Statements 31 March 2024 (continued)

10. INVESTMENT IN AN ASSOCIATE (continued)

(e) (continued)

The management has determined that the recoverable amount of the investment in an associate exceeds its carrying amount and therefore, the Group is of the view that the carrying amount of the investment in an associate is recoverable and should not be impacted by the fluctuation of the share price. Hence, no impairment loss is required.

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

Muda Holdings Berhad	2024 RM'000	2023 RM'000
Summarised financial information as at 31 March:		
Non-current assets	1,170,418	1,173,300
Current assets	787,203	806,541
Non-current liabilities	(249,029)	(271,323)
Current liabilities	(737,389)	(726,639)
Non-controlling interests	(45,196)	(44,124)
Net assets	926,007	937,755
Financial period ended 31 March:		
Loss from continuing operations	(4,628)	(36,579)
Other comprehensive income	5,082	2,551
Total comprehensive income/(loss)	454	(34,028)
Included in the total comprehensive income/(loss):		
Revenue	1,486,333	1,682,784
Reconciliation of net assets to carrying amount as at 31 March:		
Share of net assets of the associate	219,371	222,154
Effects arising from changes in shareholdings	(4,307)	(4,307)
Carrying amount in the consolidated statement of the financial position	215,064	217,847
Group's share of results for the financial period ended 31 March:		
Group's share of loss from continuing operations	(1,096)	(8,665)
Group's share of other comprehensive income	1,204	604
Group's share of total comprehensive income/(loss)	108	(8,061)
Other information:		
Dividends received by the Group	2,891	3,613

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

Notes to the Financial Statements
31 March 2024 (continued)

11. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Trade receivables				
Third parties	47,698,001	57,006,489	-	-
Amounts owing by related parties	686,895	37,997	-	-
	48,384,896	57,044,486	-	-
Less: Impairment losses				
- third parties	(2,634,214)	(2,445,639)	-	-
Total trade receivables	45,750,682	54,598,847	-	-
Other receivables				
Third parties	4,875,028	3,939,026	168,757	172,483
Amount owing by a subsidiary	-	-	7,726,894	2,435,897
Deposits	246,252	756,095	-	-
	5,121,280	4,695,121	7,895,651	2,608,380
Total receivables	50,871,962	59,293,968	7,895,651	2,608,380
Prepayments	1,104,686	1,624,182	-	-
	51,976,648	60,918,150	7,895,651	2,608,380

- (a) Total receivables are classified as financial assets measured at amortised cost.
- (b) Trade receivables of the Group are non-interest bearing and the normal trade terms granted by the Group comprise cash term and credit terms of up to 120 days (2023: cash term and credit terms of up to 120 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.
- (c) Amounts owing by related parties are unsecured, interest-free and the credit term granted by the Group on sale of goods is 90 days (2023: 90 days). The related parties are companies in which a Director and his close family members collectively have controlling interests.
- (d) Amount owing by a subsidiary is unsecured, interest-free and repayable within next twelve (12) months in cash and cash equivalents.

Notes to the Financial Statements

31 March 2024 (continued)

11. TRADE AND OTHER RECEIVABLES (continued)

- (e) The currency exposure profile of trade and other receivables are disclosed in Note 32(b)(iv) to the financial statements.
- (f) Impairment for trade receivables that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses.

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

The Group uses an allowance matrix with reference to historical credit loss experience to measure the expected credit loss of trade receivables from their ageing. Trade receivables have been grouped based on the common credit risk characteristics - industry and days past due.

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

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

Individual assessment of impairment of trade receivables are separately assessed when it is probable that cash due will not be received in full.

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 2024 (continued)

11. TRADE AND OTHER RECEIVABLES (continued)

(f) (continued)

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

Group	Gross carrying amount RM	Impairment RM	Net carrying amount RM
2024			
Collective assessment			
Current	27,217,030	(4,293)	27,212,737
Past due			
- 1 to 30 days	11,303,625	(1,015)	11,302,610
- 31 to 60 days	5,660,580	-	5,660,580
- 61 to 90 days	628,022	-	628,022
Individual assessment	<u>3,575,639</u>	<u>(2,628,906)</u>	<u>946,733</u>
	<u><u>48,384,896</u></u>	<u><u>(2,634,214)</u></u>	<u><u>45,750,682</u></u>
2023			
Collective assessment			
Current	27,599,661	(5,691)	27,593,970
Past due			
- 1 to 30 days	14,690,713	(19,044)	14,671,669
- 31 to 60 days	10,875,308	-	10,875,308
- 61 to 90 days	880,340	-	880,340
Individual assessment	<u>2,998,464</u>	<u>(2,420,904)</u>	<u>577,560</u>
	<u><u>57,044,486</u></u>	<u><u>(2,445,639)</u></u>	<u><u>54,598,847</u></u>

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

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

Notes to the Financial Statements

31 March 2024 (continued)

11. TRADE AND OTHER RECEIVABLES (continued)

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

Group	Lifetime ECL allowance RM	Credit impaired RM	Total RM
Balance as at 1 April 2023	24,735	2,420,904	2,445,639
Reversal of impairment losses	(21,420)	(7,544)	(28,964)
Exchange differences	1,993	215,546	217,539
Balance as at 31 March 2024	<u>5,308</u>	<u>2,628,906</u>	<u>2,634,214</u>
Balance as at 1 April 2022	17,081	2,436,569	2,453,650
Written off	-	(78,357)	(78,357)
Charge for the financial year	8,210	544	8,754
Exchange differences	(556)	62,148	61,592
Balance as at 31 March 2023	<u>24,735</u>	<u>2,420,904</u>	<u>2,445,639</u>

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.

(h) Impairment for other receivables and amount owing by a subsidiary are recognised based on the general approach of MFRS 9. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset by comparing the risk of default occurring over the expected life with the risk of default since initial recognition.

For balances in which the credit risk has not increased significantly since initial recognition of the financial asset, 12-month expected credit losses along with gross interest income are recognised. For balances 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.

Notes to the Financial Statements
31 March 2024 (continued)

11. TRADE AND OTHER RECEIVABLES (continued)

(h) (continued)

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

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

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

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

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

No expected credit losses were recognised arising from other receivables and amount owing by a subsidiary as they were negligible.

- (i) Information on financial risks of trade and other receivables is disclosed in Note 32 to the financial statements.

12. DEFERRED TAX

	Group	
	2024	2023
	RM	RM
Deferred tax assets, net	-	400,000
Deferred tax liabilities, net	(15,977,949)	(16,090,438)
	<u>(15,977,949)</u>	<u>(15,690,438)</u>

Notes to the Financial Statements
31 March 2024 (continued)

12. DEFERRED TAX (continued)

(a) Recognised deferred tax assets/(liabilities)

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

Group	Assets		Liabilities		Net	
	2024 RM	2023 RM	2024 RM	2023 RM	2024 RM	2023 RM
Property, plant and equipment	-	400,000	(16,070,584)	(15,628,425)	(16,070,584)	(15,228,425)
Right-of-use assets	-	-	(396,916)	(698,092)	(396,916)	(698,092)
Lease liabilities	367,598	721,802	-	-	367,598	721,802
Others	121,953	-	-	(485,723)	121,953	(485,723)
Deferred tax assets/(liabilities)	489,551	1,121,802	(16,467,500)	(16,812,240)	(15,977,949)	(15,690,438)
Set off of tax	(489,551)	(721,802)	489,551	721,802	-	-
Net deferred tax assets/(liabilities)	-	400,000	(15,977,949)	(16,090,438)	(15,977,949)	(15,690,438)

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

Notes to the Financial Statements
31 March 2024 (continued)

12. DEFERRED TAX (continued)

(b) Movement in temporary differences during the financial year

Group	Balance as	Recognised	Exchange	Balance as	Recognised	Exchange	Balance as
	at 1 April 2022 RM	in profit or loss (Note 27) RM	differences RM	at 31 March 2023/1 April 2023 RM	in profit or loss (Note 27) RM	differences RM	at 31 March 2024 RM
Property, plant and equipment	(14,302,516)	(807,099)	(118,810)	(15,228,425)	(344,189)	(497,970)	(16,070,584)
Right-of-use assets	(1,044,530)	326,339	20,099	(698,092)	359,785	(58,609)	(396,916)
Lease liabilities	1,107,884	(364,311)	(21,771)	721,802	(414,056)	59,852	367,598
Others	683,010	(1,168,733)	-	(485,723)	607,676	-	121,953
	<u>(13,556,152)</u>	<u>(2,013,804)</u>	<u>(120,482)</u>	<u>(15,690,438)</u>	<u>209,216</u>	<u>(496,727)</u>	<u>(15,977,949)</u>

Notes to the Financial Statements
31 March 2024 (continued)

13. INVENTORIES

	Group	
	2024	2023
	RM	RM
At cost		
Raw materials	42,717,439	51,611,201
Work-in-progress	4,151,482	3,692,662
Finished goods	41,483,563	38,633,708
	88,352,484	93,937,571
At net realisable value		
Raw materials	1,105,620	938,591
Finished goods	1,193,408	2,769,373
	90,651,512	97,645,535

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

	Group	
	2024	2023
	RM	RM
Cost of inventories	192,557,518	206,791,766
Inventories written back	(2,168,514)	(730,520)
Inventories written down	395,614	2,450,057
Inventories written off	467,076	-
	192,251,694	208,511,303

During the financial year, the Group wrote back RM2,168,514 (2023: RM730,520) in respect of inventories written down in the previous financial year that were subsequently not required as the Group was able to sell those inventories above their carrying amounts.

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

Notes to the Financial Statements
31 March 2024 (continued)

14. OTHER INVESTMENTS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Non-current				
Quoted bond	-	25,047,768	-	-
Current				
Quoted bond	25,176,318	-	-	-
Short-term funds	4,829,392	1,013,288	1,907,452	142,691
	30,005,710	1,013,288	1,907,452	142,691
	<u>30,005,710</u>	<u>26,061,056</u>	<u>1,907,452</u>	<u>142,691</u>

- (a) Other investments are classified as financial assets measured at fair value through profit or loss.
- (b) Other investments are denominated in Ringgit Malaysia.
- (c) The fair value of quoted bond is determined by reference to indicative prices from an accredited bond pricing agency. Quoted bond of the Group are categorised at Level 2 in the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.
- (d) Short-term funds are investments in money market funds, which are designated to manage free cash flows and optimise working capital so as to provide a steady stream of income returns.
- (e) The fair value of short-term funds are determined by reference to the exchange quoted market bid prices at the close of the business at the end of each reporting period. Short-term funds of the Group and of the Company are categorised at Level 1 in the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.
- (f) Information on financial risks of other investments is disclosed in Note 32 to the financial statements.

15. CASH AND BANK BALANCES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash and bank balances	46,591,111	58,792,431	26,634	107,269
Deposits with licensed banks	270,366,958	189,269,172	18,538,127	22,214,080
	<u>316,958,069</u>	<u>248,061,603</u>	<u>18,564,761</u>	<u>22,321,349</u>

- (a) Cash and bank balances are classified as financial assets measured at amortised cost.
- (b) The currency exposure profile of cash and bank balances are disclosed in Note 32(b)(iv) to the financial statements.

Notes to the Financial Statements 31 March 2024 (continued)

15. CASH AND BANK BALANCES (continued)

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

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash and bank balances	46,591,111	58,792,431	26,634	107,269
Deposits with licensed banks	270,366,958	189,269,172	18,538,127	22,214,080
	316,958,069	248,061,603	18,564,761	22,321,349
Less:				
Deposits with licensed banks with maturity of more than three (3) months	(63,844,000)	(85,050,000)	(8,000,000)	(17,500,000)
	253,114,069	163,011,603	10,564,761	4,821,349

- (d) No expected credit losses were recognised arising from deposits with licensed banks because the probability of default by these financial institutions were negligible.
- (e) Information on financial risks of cash and bank balances is disclosed in Note 32 to the financial statements.

16. SHARE CAPITAL

	Group and Company			
	2024		2023	
	Number of shares	Amount RM	Number of shares	Amount RM
Issued and fully paid-up ordinary shares with no par value				
Balance as at 1 April 2023/2022	194,813,360	202,434,277	194,759,560	202,330,568
Issuance of ordinary shares pursuant to ESOS	655,400	1,263,415	53,800	103,709
Balance as at 31 March	195,468,760	203,697,692	194,813,360	202,434,277

- (a) During the financial year, the issued and fully paid-up ordinary shares of the Company was increased from 194,813,360 ordinary shares to 195,468,760 ordinary shares by way of issuance of 655,400 new ordinary shares pursuant to 655,400 options exercised under ESOS at exercise price of RM1.5542 each for cash, totalling of RM1,018,623.

Notes to the Financial Statements 31 March 2024 (continued)

16. SHARE CAPITAL (continued)

(a) (continued)

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

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

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

17. TREASURY SHARES

	Group and Company			
	2024		2023	
	Number of ordinary shares	Amount RM	Number of ordinary shares	Amount RM
Balance as at 1 April 2023/2022	500	2,131	500	2,131
Purchase of treasury shares	707,000	1,211,510	-	-
Balance as at 31 March	707,500	1,213,641	500	2,131

(a) The shareholders of the Company, by a special resolution passed at an Extraordinary General Meeting held on 25 September 2001 approved the plan of the Company to purchase its own shares. At the Annual General Meeting held on 29 September 2023, 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.

Notes to the Financial Statements 31 March 2024 (continued)

17. TREASURY SHARES (continued)

- (b) During the financial year, the Company repurchased 707,000 of its issued ordinary shares from the open market at an average price of RM1.71 per ordinary share. The total consideration paid, net of transactions costs, for the repurchased shares was RM1,211,510 and was financed by internally generated funds.
- (c) As at 31 March 2024, the ordinary shares held as treasury shares were 707,500 units (2023: 500 units). The number of outstanding ordinary shares in issue and fully paid after deducting the treasury shares held was 194,761,260 (2023: 194,812,860). Treasury shares held have no rights to voting, dividends and other participation in other distribution.

18. RESERVES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Non-distributable:				
Exchange translation reserve	29,742,706	18,474,997	-	-
Share options reserve	2,505,490	1,792,427	2,505,490	1,792,427
	32,248,196	20,267,424	2,505,490	1,792,427
Distributable:				
Retained earnings	557,229,238	525,439,569	78,201,672	81,904,151
	<u>589,477,434</u>	<u>545,706,993</u>	<u>80,707,162</u>	<u>83,696,578</u>

- (a) Exchange translation reserve

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

- (b) Share options reserve

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

Notes to the Financial Statements
31 March 2024 (continued)

19. TRADE AND OTHER PAYABLES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Trade payables				
Third parties	6,639,422	9,607,022	-	-
Amounts owing to related parties	2,842,218	412,784	-	-
	9,481,640	10,019,806	-	-
Other payables				
Third parties	11,749,036	11,232,222	295,691	201,551
Amounts owing to related parties	72,049	16,163	-	-
Accruals	8,668,510	8,514,073	353,990	328,442
Dividend payable	6,816,644	-	6,816,644	-
	27,306,239	19,762,458	7,466,325	529,993
	<u>36,787,879</u>	<u>29,782,264</u>	<u>7,466,325</u>	<u>529,993</u>

- (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 terms of up to 120 days (2023: cash term and credit terms of up to 120 days).
- (c) The non-trade amounts owing to related parties represent advances which are unsecured, interest-free and payable within next twelve (12) months in cash and cash equivalents.
- (d) The related parties are companies related to the associate of the Group and of the Company and companies in which a Director and his close family members collectively have controlling interests.
- (e) The currency exposure profile of trade and other payables are disclosed in Note 32(b)(iv) to the financial statements.
- (f) Information on financial risks of trade and other payables is disclosed in Note 32 to the financial statements.

Notes to the Financial Statements

31 March 2024 (continued)

20. FINANCIAL GUARANTEE CONTRACTS

- (a) The Company has given financial guarantees to certain financial institutions for banking facilities granted to its subsidiaries for a limit of RM155,022,000 (2023: RM150,542,000) of which RM943,131 (2023: RM106,964) were utilised at the end of the reporting period.
- (b) The Company has given financial guarantee of RM11,940,000 (2023: RM10,920,000) to a supplier of its subsidiary, Higher Kings Mill Limited of which RM1,497,732 (2023: RM881,770) was utilised at the end of the reporting period.
- (c) Information on financial risks of financial guarantee contracts are disclosed in Note 32 to the financial statements.

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:

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

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

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

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

Notes to the Financial Statements
31 March 2024 (continued)

21. REVENUE

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Revenue from contracts with customers:				
Sale of goods	294,154,749	317,487,656	-	-
Commission income	80,328	77,549	80,328	77,549
Management fee from subsidiaries	-	-	6,942,000	6,388,800
Other revenue:				
Dividend income from:				
- subsidiaries	-	-	14,877,912	12,754,550
- an associate	-	-	697,568	871,960
	<u>294,235,077</u>	<u>317,565,205</u>	<u>22,597,808</u>	<u>20,092,859</u>

Disaggregation of revenue from contracts with customers

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Timing of revenue recognition:				
Transferred over time	6,594,324	11,717,747	6,942,000	6,388,800
Transferred at a point in time	287,640,753	305,847,458	80,328	77,549
Revenue from contracts with customers	<u>294,235,077</u>	<u>317,565,205</u>	<u>7,022,328</u>	<u>6,466,349</u>

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

(a) Sale of goods

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

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

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

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

Notes to the Financial Statements

31 March 2024 (continued)

21. REVENUE (continued)

(b) Commission income

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

(c) Management fee from subsidiaries

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

(d) Dividend income

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

22. OTHER INCOME

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Distribution income from short-term funds	5,065	224,033	541	7,059
Fair value gain on other investments	144,666	207,151	1,204	156,537
Gain on disposal of property, plant and equipment	17,334	86,757	-	-
Interest income from:				
- bank balances	11,682,407	4,200,950	894,917	294,723
- other investments	1,932,729	254,432	-	-
Realised gain on foreign exchange	10,002,316	-	341,071	-
Unrealised gain on foreign exchange	1,787,808	3,164,723	119,329	138,150
Lease income	495,547	486,466	-	-
Miscellaneous income	526,292	346,004	3,470	452
	26,594,164	8,970,516	1,360,532	596,921

(a) Interest income

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

(b) Lease income

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

Notes to the Financial Statements
31 March 2024 (continued)

23. EMPLOYEE BENEFITS

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Wages, salaries, overtime and bonuses	57,746,642	55,225,281	5,356,176	4,601,102
Contributions to defined contribution plan	4,138,246	3,847,284	814,721	548,207
Social security contributions	4,996,528	4,390,655	10,191	9,569
Share options vested under share options scheme	1,109,853	1,855,466	373,503	623,925
	<u>67,991,269</u>	<u>65,318,686</u>	<u>6,554,591</u>	<u>5,782,803</u>

Included in employee benefits of the Group and of the Company are Directors' remuneration amounting to RM4,220,180 (2023: RM4,269,768) and RM3,348,915 (2023: RM2,821,997) as further disclosed in Note 24 to the financial statements.

24. DIRECTORS' REMUNERATION

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Directors of the Company				
Directors' fee	339,588	343,632	309,588	313,632
Salaries and other emoluments	3,235,105	2,637,005	3,235,105	2,637,005
Share options vested under share options scheme	113,810	184,992	113,810	184,992
Estimated money value of benefits-in-kind	28,000	16,750	28,000	16,750
	<u>3,716,503</u>	<u>3,182,379</u>	<u>3,686,503</u>	<u>3,152,379</u>
Directors of the subsidiaries				
Directors' fee	44,663	44,119	-	-
Salaries and other emoluments	871,265	1,447,771	-	-
Estimated money value of benefits-in-kind	-	54,600	-	-
Total Directors' remuneration	<u>4,632,431</u>	<u>4,728,869</u>	<u>3,686,503</u>	<u>3,152,379</u>

Notes to the Financial Statements
31 March 2024 (continued)

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

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

The salient features of the ESOS are as follows:

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

Notes to the Financial Statements 31 March 2024 (continued)

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

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

Date of offer	[----- Number of options over ordinary shares -----]					
	Balance as at 1.4.2023	Granted	Exercised	Forfeited*	Balance as at 31.3.2024 [^]	Exercisable as at 31.03.2024
24 June 2022	10,696,000	-	(655,400)	(563,500)	9,477,100	2,370,000
Exercise price (RM)						1.5542

* Due to resignation

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

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

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

26. FINANCE COSTS

	Group	
	2024 RM	2023 RM
Interest expense on:		
- cash and bank balances	-	37,120
- foreign currency trade loans	-	39,525
- lease liabilities	119,483	147,729
	119,483	224,374

Notes to the Financial Statements
31 March 2024 (continued)

27. TAX EXPENSE

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Current tax expense based on profit for the financial year	11,732,312	10,381,327	322,000	295,000
Under/(Over)provision of tax expense in prior years	207,330	(287,426)	(757)	6,439
	<u>11,939,642</u>	<u>10,093,901</u>	<u>321,243</u>	<u>301,439</u>
Deferred tax (Note 12):				
- relating to origination and reversal of temporary differences	299,584	1,878,804	-	-
- (over)/underprovision of deferred tax in prior years	(508,800)	135,000	-	-
	(209,216)	2,013,804	-	-
Withholding tax	803,039	-	-	-
Tax expense for the financial year	<u>12,533,465</u>	<u>12,107,705</u>	<u>321,243</u>	<u>301,439</u>

- (a) Malaysian income tax is calculated at the statutory tax rate of 24% (2023: 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.

Notes to the Financial Statements
31 March 2024 (continued)

27. TAX EXPENSE (continued)

(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	
	2024	2023	2024	2023
	RM	RM	RM	RM
Profit before tax	64,727,490	43,819,448	16,903,700	14,238,846
Share of results of equity-accounted associate, net of tax	1,096,354	8,665,411	-	-
	<u>65,823,844</u>	<u>52,484,859</u>	<u>16,903,700</u>	<u>14,238,846</u>
Tax at Malaysian statutory tax rate of 24% (2023: 24%)	15,797,723	12,596,366	4,056,888	3,417,323
Tax effects in respect of:				
- different tax rates in foreign jurisdictions	546,612	40,620	-	-
- expenses not deductible for tax purpose	578,757	771,775	114,078	218,765
- income not subject to tax	(4,054,887)	(705,033)	(3,848,966)	(3,341,088)
Withholding tax	803,039	-	-	-
Tax incentives and allowances	(836,309)	(443,597)	-	-
Under/(Over)provision in prior years				
- income tax	207,330	(287,426)	(757)	6,439
- deferred tax	(508,800)	135,000	-	-
	<u>12,533,465</u>	<u>12,107,705</u>	<u>321,243</u>	<u>301,439</u>

Notes to the Financial Statements
31 March 2024 (continued)

27. TAX EXPENSE (continued)

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

	Before tax RM	Tax effect RM	After tax RM
Group			
2024			
Item that may be reclassified subsequently to profit or loss			
Foreign currency translations	10,129,764	-	10,129,764
Item that will not be reclassified subsequently to profit or loss			
Share of other comprehensive income of equity-accounted associate	1,203,905	-	1,203,905
2023			
Item that may be reclassified subsequently to profit or loss			
Foreign currency translations	1,263,451	-	1,263,451
Item that will not be reclassified subsequently to profit or loss			
Share of other comprehensive income of equity-accounted associate	604,321	-	604,321

Notes to the Financial Statements

31 March 2024 (continued)

28. EARNINGS PER ORDINARY SHARE

(a) Basic

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

	Group	
	2024	2023
Profit for the financial year attributable to equity holders of the parent (RM)	52,074,605	31,633,027
Weighted average number of ordinary shares in issue (unit)	194,813,360	194,759,560
Effects of:		
- treasury shares held (unit)	(576,279)	(500)
- exercise of ESOS (unit)	246,198	23,944
Adjusted weighted average number of ordinary shares applicable to basic earnings per ordinary share (unit)	194,483,279	194,783,004
Basic earnings per ordinary share (sen)	26.78	16.24

(b) Diluted

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

	Group	
	2024	2023
Profit for the financial year attributable to equity holders of the parent (RM)	52,074,605	31,633,027
Weighted average number of ordinary shares in issue applicable to basic earnings per ordinary share (unit)	194,483,279	194,783,004
Effect of dilution due to ESOS (unit)	1,894,444	1,568,355
Adjusted weighted average number of ordinary shares applicable to diluted earnings per ordinary share (unit)	196,377,723	196,351,359
Diluted earnings per ordinary share (sen)	26.52	16.11

Notes to the Financial Statements
31 March 2024 (continued)

29. DIVIDENDS

	Group and Company			
	2024		2023	
	Dividend per share sen	Amount of dividend RM	Dividend per share sen	Amount of dividend RM
In respect of financial year ended 31 March 2022: Single tier final dividend	-	-	2.00	3,895,691
In respect of financial year ended 31 March 2023: Single tier final dividend	3.50	6,807,495	-	-
In respect of financial year ended 31 March 2024: - single tier first interim dividend	3.50	6,812,795	-	-
- single tier second interim dividend	3.50	6,816,644	-	-
	<u>10.50</u>	<u>20,436,934</u>	<u>2.00</u>	<u>3,895,691</u>

The Directors recommend a single tier final dividend of 3.50 sen per ordinary share, amounting to RM6,820,687 based on the number of ordinary shares in issue as at the date of this report, in respect of the financial year ended 31 March 2024, subject to the approval of members at the forthcoming Annual General Meeting.

The financial statements for the financial year ended 31 March 2024 do not reflect this proposed dividend. Such dividend, if approved by shareholders, will be accounted for as an appropriation of retained earnings in the financial year ending 31 March 2025.

30. CAPITAL COMMITMENT

	Group	
	2024 RM	2023 RM
Capital expenditure in respect of purchase of property, plant and equipment:		
Contracted but not provided for	<u>91,832</u>	<u>1,494,681</u>

Notes to the Financial Statements

31 March 2024 (continued)

31. 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., Dynamic Consulting & Engineering Sdn. Bhd. and RTS Manufacturing Sdn. Bhd.;
- (iv) Company in which a Director of a subsidiary, Mr. Rodney Christopher Martin, has substantial financial interest - Christopher Martin Ltd.; and
- (v) Key management personnel are defined as those persons having the authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Company and certain Directors of the subsidiaries.

(b) Significant related parties transactions

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

	Group	
	2024	2023
	RM	RM
Related parties		
Purchases:		
- Asia Educational Supplies Sdn. Bhd.	33,571	42,443
- Dynamic Consulting & Engineering Sdn. Bhd.	83,375	25,709
- Dynamic Office Sdn. Bhd.	53,929	78,290
- RTS Manufacturing Sdn. Bhd.	2,407,758	-
- Federal Packages Sdn. Bhd.	1,642,401	1,386,906
- Muda Paper Mills Sdn. Bhd.	28,493	32,065
 Purchase of property, plant and equipment:		
- Dynamic Office Sdn. Bhd.	1,680	-

Notes to the Financial Statements
31 March 2024 (continued)

31. RELATED PARTY DISCLOSURES (continued)

(b) Significant related parties transactions (continued)

In addition to the related parties information detailed elsewhere in the financial statements, the Group and the Company had the following significant transactions with related parties during the financial year (continued):

	Group	
	2024	2023
	RM	RM
Related parties (continued)		
Sales:		
- Asia Educational Supplies Sdn. Bhd.	54,570	84,178
- RTS Manufacturing Sdn. Bhd.	371,912	-
Sales of property, plant and equipment:		
- Asia Educational Supplies Sdn. Bhd.	1,330	-
- Dynamic Office Sdn. Bhd.	180	-
Sales commission income:		
- RTS Manufacturing Sdn. Bhd.	42,525	-
Sales commission expense:		
- RTS Manufacturing Sdn. Bhd.	11,950	-
Rental income:		
- Asia Educational Supplies Sdn. Bhd.	12,000	12,000
Consultancy fee paid to a Company in which a Director of a subsidiary has a substantial financial interest	87,305	133,621
Lease payment to a Director of a subsidiary and their family member	9,600	8,400
Company		
	2024	2023
	RM	RM
An associate		
Dividend income	697,568	871,960
Subsidiaries		
Dividend income	14,877,912	12,754,550
Management fee received	6,942,000	6,388,800

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

Notes to the Financial Statements

31 March 2024 (continued)

31. RELATED PARTY DISCLOSURES (continued)

(c) Compensation of key management personnel

The key management personnel comprise the Directors of the Group and their remuneration during the financial year are as disclosed in Note 24 to the financial statements.

32. CAPITAL AND FINANCIAL RISK MANAGEMENT

(a) Capital management

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

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

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

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Short-term funds	4,829,392	1,013,288	1,907,452	142,691
Cash and bank balances	316,958,069	248,061,603	18,564,761	22,321,349
Less: Lease liabilities	(1,531,658)	(3,114,474)	-	-
Trade and other payables	(36,787,879)	(29,782,264)	(7,466,325)	(529,993)
Net cash	<u>283,467,924</u>	<u>216,178,153</u>	<u>13,005,888</u>	<u>21,934,047</u>
Total capital	791,961,485	748,139,139	283,191,213	286,128,724
Net cash	<u>(283,467,924)</u>	<u>(216,178,153)</u>	<u>(13,005,888)</u>	<u>(21,934,047)</u>
	<u>508,493,561</u>	<u>531,960,986</u>	<u>270,185,325</u>	<u>264,194,677</u>
Gearing ratio	*	*	*	*

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

Notes to the Financial Statements
31 March 2024 (continued)

32. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

(a) Capital management (continued)

Pursuant to the requirements of Practice Note No. 17/2005 of the Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity of more than twenty-five percent (25%) of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40,000,000. The Company has complied with this requirement for the financial year ended 31 March 2024.

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

(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's financial risk management policies.

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

(i) Credit risk

The Group's exposure to credit risk arises principally from the individual characteristics of each trade receivable made on credit term, other investments, deposits with licensed banks and financial guarantee contracts, 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.



Notes to the Financial Statements 31 March 2024 (continued)

32. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Trade receivables

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.

Financial guarantee contracts

The maximum exposure of the Company to credit risk in relation to financial guarantee contracts provided to the financial institutions and a supplier of a subsidiary has been disclosed in Note 20 to the financial statements.

The Company provided financial guarantee contracts to the financial institutions for banking facilities granted to subsidiaries and supplier of its subsidiary. The Company monitors on an ongoing basis the financial performance of the subsidiaries and the repayments made by the subsidiaries to the financial institutions and supplier.

Credit risk concentration profile

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

	Group			
	2024		2023	
	RM	% of total	RM	% of total
By country:				
Malaysia	17,278,132	38%	17,827,241	33%
Asia (excluding Malaysia)	336,150	*	155,330	*
Europe	26,901,926	59%	34,951,982	64%
America	379,839	1%	880,327	2%
Others	854,635	2%	783,967	1%
	45,750,682	100%	54,598,847	100%

* Less than 1%

At the end of the reporting period, approximately 24% (2023: 26%) of the trade receivables of the Group were due from one (1) (2023: one (1)) major customer who is located in Europe (2023: Europe).

Notes to the Financial Statements
31 March 2024 (continued)

32. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

(b) Financial risk management (continued)

(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 and lease liabilities.

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

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
2024			
Group			
Financial liabilities			
Trade and other payables	36,787,879	-	36,787,879
Lease liabilities	1,388,598	183,876	1,572,474
Total undiscounted financial liabilities	<u>38,176,477</u>	<u>183,876</u>	<u>38,360,353</u>
Company			
Financial liabilities			
Trade and other payables	7,466,325	-	7,466,325
Financial guarantee contracts*	2,440,863	-	2,440,863
Total undiscounted financial liabilities	<u>9,907,188</u>	<u>-</u>	<u>9,907,188</u>

Notes to the Financial Statements

31 March 2024 (continued)

32. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

(b) Financial risk management (continued)

(ii) Liquidity and cash flow risk (continued)

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

	On demand or within one (1) year RM	One (1) to five (5) years RM	Total RM
2023			
Group			
Financial liabilities			
Trade and other payables	29,782,264	-	29,782,264
Lease liabilities	1,403,530	1,861,469	3,264,999
Total undiscounted financial liabilities	<u>31,185,794</u>	<u>1,861,469</u>	<u>33,047,263</u>
Company			
Financial liabilities			
Trade and other payables	529,993	-	529,993
Financial guarantee contracts*	988,734	-	988,734
Total undiscounted financial liabilities	<u>1,518,727</u>	<u>-</u>	<u>1,518,727</u>

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

(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 lease liabilities and deposits placed with licensed banks.

Notes to the Financial Statements 31 March 2024 (continued)

32. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

(b) Financial risk management (continued)

(iii) Interest rate risk (continued)

Sensitivity analysis for interest rate risk

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

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

Group	Effective interest rates/ Incremental borrowing rates %	Within one (1) year RM	One (1) to five (5) years RM	Total RM
Fixed rates				
2024				
Lease liabilities	3.05	(1,348,246)	(183,412)	(1,531,658)
Deposits with licensed banks	2.39 - 5.60	270,366,958	-	270,366,958
2023				
Lease liabilities	3.05 - 5.68	(1,290,337)	(1,824,137)	(3,114,474)
Deposits with licensed banks	2.40 - 4.50	189,269,172	-	189,269,172
Company				
Fixed rate				
2024				
Deposits with licensed banks	4.00 - 5.30	18,538,127	-	18,538,127
2023				
Deposits with licensed banks	4.00 - 4.50	22,214,080	-	22,214,080

Notes to the Financial Statements

31 March 2024 (continued)

32. 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 and purchases that are denominated in a currency other than the respective functional currencies of the Company and its subsidiaries.

The Group uses forward exchange contracts to hedge its foreign currency risk. However, there was no foreign currency forward exchange contract outstanding as at 31 March 2024 and 31 March 2023.

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

	[----- Denominated in -----]		
	EUR RM	GBP RM	USD RM
2024			
Group			
Trade and other receivables	989,680	38	2,614,560
Cash and bank balances	47,969,897	143,674,864	845,375
Trade and other payables	(134,609)	-	(1,342,261)
Net currency exposure	48,824,968	143,674,902	2,117,674
Company			
Cash and bank balances	5,099,913	5,439,141	-
2023			
Group			
Trade and other receivables	1,887,091	1,081,469	2,247,115
Cash and bank balances	27,487,193	84,736,704	302,083
Trade and other payables	(181,033)	-	(1,065,692)
Net currency exposure	29,193,251	85,818,173	1,483,506
Company			
Cash and bank balances	-	4,714,372	-

Notes to the Financial Statements
31 March 2024 (continued)

32. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

(b) Financial risk management (continued)

(iv) Foreign currency risk (continued)

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.

Group		Effect on profit after tax	
		Increase/(Decrease)	
		2024	2023
		RM	RM
EUR/RM	- strengthened by 10% (2023: 10%)	3,710,698	2,218,687
	- weakened by 10% (2023: 10%)	<u>(3,710,698)</u>	<u>(2,218,687)</u>
GBP/RM	- strengthened by 10% (2023: 10%)	10,919,293	6,522,181
	- weakened by 10% (2023: 10%)	<u>(10,919,293)</u>	<u>(6,522,181)</u>
USD/RM	- strengthened by 10% (2023: 10%)	160,943	112,746
	- weakened by 10% (2023: 10%)	<u>(160,943)</u>	<u>(112,746)</u>

Group		Effect on equity	
		Increase/(Decrease)	
		2024	2023
		RM	RM
EUR/RM	- strengthened by 10% (2023: 10%)	1,066,954	779,683
	- weakened by 10% (2023: 10%)	<u>(1,066,954)</u>	<u>(779,683)</u>
GBP/RM	- strengthened by 10% (2023: 10%)	789,283	265,573
	- weakened by 10% (2023: 10%)	<u>(789,283)</u>	<u>(265,573)</u>

Notes to the Financial Statements 31 March 2024 (continued)

32. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

(b) Financial risk management (continued)

(iv) Foreign currency risk (continued)

Sensitivity analysis for foreign currency risk (continued)

Company		Effect on profit after tax	
		Increase/(Decrease)	
		2024	2023
		RM	RM
EUR/RM	- strengthened by 10% (2023: 10%)	387,593	-
	- weakened by 10% (2023: 10%)	<u>(387,593)</u>	<u>-</u>
GBP/RM	- strengthened by 10% (2023: 10%)	413,375	358,292
	- weakened by 10% (2023: 10%)	<u>(413,375)</u>	<u>(358,292)</u>

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

33. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

33.1 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
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Initial Application of MFRS 17 and MFRS 9 - Comparative Information</i>	1 January 2023
Amendments to MFRS 101 <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Definition of Accounting Estimates</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

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 2024 (continued)

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

33.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2024

Title	Effective Date
Amendments to MFRS 16 <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 and MFRS 7 <i>Supplier Finance Arrangements</i>	1 January 2024
Amendments to MFRS 121 <i>Lack of Exchangeability</i>	1 January 2025
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
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 are in the process of assessing the impact of implementing these Standards, since the effects would only be observable for the future financial years.

List of Properties

LOCATION	DESCRIPTION	LAND AREA (sq.meters)	TENURE	AGE (years)	NET BOOK VALUE (RM'000)	DATE OF REVALUATION/ ACQUISITION (*)
01) No 81 & 81A Jalan Sungai Pinang Lots P1473-1476, Section 9-W, Georgetown Daerah Timur-Laut Penang	Factory cum warehouse	2,443	Freehold	33	5,787	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	29	7,172	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	29	684	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	29	627	April 2000 (*)
05) Lot 1310, Mukim 14, Daerah Seberang Prai Tengah, Penang	Office, Factory cum warehouse	26,540	Freehold	33	9,798	March 2004 (*)
06) PT 43263, H.S.(D) 128696 Mukim Petaling, Daerah Petaling, Selangor	Office, Factory cum warehouse	2,023	Freehold	18	2,115	April 2004 (*)
07) Kasseler Landstraße 12 D-37213 Witzhausen Germany	Office, Factory cum warehouse	11,983	Freehold	51	4,671	January 2008 (*)
08) Heiligenstädter Straße 32, D-37318 Kirchgardern Germany	Office, Factory cum warehouse	21,840	Freehold	33	7,361	January 2008 (*) March 2009 (*) (Additional Warehouse)
09) Cullompton, Devon EX 15 1Q3 United Kingdom	Office, Factory cum warehouse	52,609	Freehold	-	4,894	September 2011 (*) March 2013 (*) (Additional Warehouse)

List of Properties (continued)

LOCATION	DESCRIPTION	LAND AREA (sq.meters)	TENURE	AGE (years)	NET BOOK VALUE (RM'000)	DATE OF REVALUATION/ ACQUISITION (*)
10) Ashton Road Denton, Manchester M34 3LR United Kingdom	Office, Factory cum warehouse	18,000	Freehold	-	3,051	April 2012 (*)
11) Lot 1309, Mukim 14, Daerah Seberang Prai Tengah, Penang	Office, Factory cum warehouse	30,495	Freehold	33	9,919	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	7	5,805	September 2017 (*)
13) Lot PT 17611, Bandar of Sungai Petani, District of Kuala Mudah, Kedah Darul Aman	Rented	4,286	Freehold	35	2,415	December 2021
14) H.S (D) 10271, PT 66400, Bandar of Sungai Petani, District of Kuala Mudah, Kedah Darul Aman H.S (D) 10272, PT 66401, Bandar of Sungai Petani, District of Kuala Mudah, Kedah Darul Aman H.S (D) 10277, PT 66406, Bandar of Sungai Petani, District of Kuala Mudah, Kedah Darul Aman H.S (D) 10278, PT 66407, Bandar of Sungai Petani, District of Kuala Mudah, Kedah Darul Aman	Office, Factory cum warehouse	17,512	60-year lease expiring on 04-04-2055	23	10,995	December 2021

Shareholdings Statistics As At 3 July 2024

TOTAL ISSUED SHARES	:	195,584,260 (inclusive of 707,500 treasury shares)
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	%
Less than 100	83	3,528	0.00
100 to 1,000	322	226,493	0.11
1,001 to 10,000	1,203	5,608,561	2.87
10,001 to 100,000	503	15,329,374	7.84
100,001 to 9,779,212 *	79	53,018,753	27.11
9,779,213 and above **	2	121,397,551	62.07
TOTAL	2,192	195,584,260	100.00

* Less than 5% of issued shares

** 5% and above of issued shares

Shareholdings Statistics As At 3 July 2024 (continued)

THIRTY LARGEST DEPOSITORS AS AT 3 JULY 2024

	NAME	NO. OF SHARES	% OF ISSUED CAPITAL
1	PRESTIGE ELEGANCE (M) SDN BHD	83,738,951	42.81
2	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM BUMIPUTERA	37,658,600	19.25
3	LIM SOON HUAT	6,125,455	3.13
4	LIM SIEW LEE	5,817,860	2.97
5	LIM SOON HEE	4,117,996	2.11
6	TEOH CHIN CHIA	3,303,500	1.69
7	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 1)	3,109,840	1.59
8	KHOO SAW SIM	2,588,672	1.32
9	LIM SOON WAH	2,138,870	1.09
10	JCBNEXT BERHAD	1,970,100	1.01
11	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG YEE HUI (KLC/KEN)	1,800,000	0.92
12	GOH PHAIK NGOH	1,333,772	0.68
13	CARTABAN NOMINEES (ASING) SDN BHD SSBT FUND F9LJ FOR FIDELITY GLOBAL INTRINSIC VALUE INVESTMENT TRUST	1,317,700	0.67
14	BEH PHAIK HOOI	978,928	0.50
15	FOO NIAN CHOU	835,584	0.43
16	CIMB GROUP NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR DBS BANK LTD (SFS)	730,400	0.37
17	ASIA FILE CORPORATION BHD SHARE BUY BACK ACCOUNT	707,500	0.36

Shareholdings Statistics As At 3 July 2024 (continued)

THIRTY LARGEST DEPOSITORS AS AT 3 JULY 2024 (continued)

NAME	NO. OF SHARES	% OF ISSUED CAPITAL
18 TEO KWEE HOCK	677,700	0.35
19 UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEO SIEW LAI	561,300	0.29
20 UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	530,200	0.27
21 KOAY CHOON CHIN	500,000	0.26
22 LIM PEI TIAM @ LIM AHAT KIAT	500,000	0.26
23 LIM SOON WAH	500,000	0.26
24 RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM SOON WAH	500,000	0.26
25 SUSY DING	481,700	0.25
26 OH PHAIK WEE	418,080	0.21
27 KNOW CHEAH YONG	400,000	0.20
28 KONG TIAM	380,000	0.19
29 GOH YU TIAN	352,100	0.18
30 CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR OH HAW KUANG (PENANG-CL)	349,692	0.18
	164,424,500	84.06

Analysis of Shareholdings As At 3 July 2024

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	1.33	83,738,951 ^(b)	42.97
2.	Dato' Lim Soon Huat	6,125,455	3.14	83,738,951 ^(b)	42.97
3.	Prestige Elegance (M) Sdn Bhd	83,738,951	42.97	-	-
4.	AmanahRaya Trustees Berhad - Amanah Saham Bumiputera	37,658,600	19.32	-	-

(a) This excluded 707,500 treasury shares.

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

DIRECTORS' SHAREHOLDINGS

No.	Name	<--- Direct Interest --->		<---- Indirect Interest ----->	
		No. of Shares	% of total issued capital ^(a)	No. of Shares	% of total issued capital ^(a)
1.	Dato' Lim Soon Huat	6,125,455	3.14	89,812,211 ^(b)	46.09
2.	Lam Voon Kean	-	-	-	-
3.	Chua Hooi Luan	-	-	-	-
4.	Lee Thean Yew	-	-	-	-

(a) This excluded 707,500 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 Thirtieth (30th) Annual General Meeting (“**AGM**”) of **ASIA FILE CORPORATION BHD.** (“**AFC**” or “**the Company**”) will be held at Olive 4 & 5, Level 6, Olive Tree Hotel, 76, Jalan Mahsuri, 11950 Bayan Lepas, Penang on Friday, 27 September 2024 at 10.30 am, or at any adjournment thereof, for the following purposes:

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 March 2024 together with the Reports of the Directors and Auditors thereon. *(Please refer to Explanatory Note 1)*
2. To re-elect Dato’ Lim Soon Huat who retire pursuant to Clause 88 of the Company’s Constitution and who, being eligible, has offered himself for re-election. *Ordinary Resolution 1*
3. To approve the payment of Directors’ fee and benefits payable up to RM600,000 for the period commencing one day after this AGM until the next AGM of the Company in year 2025. *Ordinary Resolution 2*
4. To approve the payment of a single tier final dividend of 3.5 sen per ordinary share for the financial year ended 31 March 2024. *Ordinary Resolution 3*
5. To re-appoint Messrs. BDO PLT as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration. *Ordinary Resolution 4*

AS SPECIAL BUSINESS

To consider and, if thought fit, with or without any modification, to pass the following resolutions which will be proposed as Ordinary Resolutions:

6. **Authority to Issue Shares pursuant to the Companies Act 2016 and Waiver of Pre-Emptive Rights** *Ordinary Resolution 5*

“THAT subject always to the Companies Act 2016 (the “**Act**”), the Constitution of the Company, and the approvals from Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and any relevant governmental/regulatory authority, the Directors of the Company be and are hereby empowered, pursuant to the Act, to issue and allot shares in the Company, at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being;

THAT pursuant to Section 85 of the Act to be read together with Clause 56 of the Constitution of the Company, that approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares arising from any issuance of new shares pursuant to this mandate.

AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities;

Notice of Annual General Meeting (continued)

AND FURTHER THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company."

7. **Proposed Renewal of Share Buy-Back Authority**

Ordinary Resolution 6

"THAT subject to the Companies Act 2016 (the "**Act**"), the Constitution of Company, Bursa Malaysia Securities Berhad ("**Bursa Securities**") Main Market Listing Requirements ("**MMLR**") and the approvals of all relevant governmental and/or regulatory authorities (if any), the Company be and is hereby authorised to purchase such number of ordinary shares in the Company ("**Proposed Share Buy-Back**") as may be determined by the Board of Directors ("**Board**") from time to time through Bursa Securities upon such terms and conditions as the Board may deem fit and expedient in the best interest of the Company provided that:

- (a) the aggregate number of ordinary shares to be purchased pursuant to this resolution shall not exceed ten per centum (10%) of the total number of issued shares of the Company; and
- (b) the maximum amount of funds to be utilised for the purpose of the Proposed Share Buy-Back shall not exceed the aggregate retained profits of the Company based on its Audited Financial Statements for the financial year ended 31 March 2024 of RM78,201,672;

THAT at the discretion of the Board, the shares of the Company to be purchased are proposed to be cancelled and/or retained as treasury shares and/or distributed as dividends and/or resold on Bursa Securities and/or transferred the shares for the purposes of or under an employees' share scheme in the manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and Bursa Securities MMLR and any other relevant authorities for the time being in force;

THAT such authority shall commence immediately upon the passing of this resolution until:

- (i) the conclusion of the next Annual General Meeting of the Company following this general meeting at which such resolution was passed at which time it will lapse unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next Annual General Meeting of the Company after that date is required by law to be held; or
- (iii) the authority is revoked or varied by ordinary resolution passed by the shareholders of the Company in general meeting;

whichever occurs first.

AND THAT the Board be and is hereby authorised to take such steps to give full effect to the Proposed Share Buy-Back with full power to assent to any condition, modification, variation and/or amendment as may be imposed by the relevant authorities and/or to do all such acts and things as the Board may deem fit and expedient in the best interest of the Company."

Notice of Annual General Meeting (continued)

8. **Mandate for Madam Lam Voon Kean who has served as Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as Independent Non-Executive Director of the Company** *Ordinary Resolution 7*

“THAT approval be and is hereby given to Madam Lam Voon Kean, who has served as Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years to continue to act as Independent Non-Executive Director of the Company in compliance with the Malaysian Code on Corporate Governance.”

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

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS ALSO HEREBY GIVEN that a single tier final dividend of 3.5 sen per share in respect of the financial year ended 31 March 2024 will be payable on 24 October 2024 to the Depositors who are registered in the Record of Depositors at the close of business on 3 October 2024, if approved by the shareholders at the forthcoming 30th AGM on 27 September 2024.

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 3 October 2024 in respect of ordinary transfers; and
- (b) Shares bought on Bursa Securities on a cum entitlement basis according to the Rules of Bursa Securities.

By Order of the Board,

YEOW SZE MIN, SSM PC NO. 201908003120 (MAICSA 7065735)

LOW SEOW WEI, SSM PC NO. 202008000437 (MAICSA 7053500)

Company Secretaries

Penang

31 July 2024

(A) Notes: -

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 19 September 2024 (General Meeting Record of Depositors) shall be eligible to participate in the 30th AGM.
2. A Member may appoint up to two (2) proxies to attend and vote at the meeting. A proxy need not be a member of the Company but must be of full age of eighteen (18) years and above. If a Member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
3. 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.

Notice of Annual General Meeting (continued)

- 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.
- The instrument appointing proxy(ies) may be made in hardcopy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the 30th AGM or any adjournments thereof:

(i) In Hardcopy Form

The proxy form shall be deposited at the Registered Office of the Company at Suite 18.05, MWE Plaza, No. 8, Lebuah Farquhar, 10200 George Town, Pulau Pinang, Malaysia.

(ii) By Electronic Means

The proxy form shall be electronically lodged by fax to +604-262 8544 or by email to info@sshhsb.com.my.

6. Poll Voting

Pursuant to Paragraph 8.29A(1) of the Listing Requirements, all resolutions set out in this notice will be put to vote by way of a poll.

(B) Explanatory Notes:

1. Audited Financial Statements for the financial year ended 31 March 2024

The first agenda of this meeting is meant for discussion only, as the provision of Section 340(1)(a) of the Act does not require a formal approval for the audited financial statements from the shareholders. Hence, this Agenda is not put forward to shareholders for voting.

2. Ordinary Resolution 1 – Re-election of Director who retires in accordance with the Company's Constitution

Clause 88 of the Company's Constitution states that one-third (1/3) of the Directors of the Company for the time being shall retire by rotation at an Annual General Meeting ("AGM") of the Company. All the Directors shall retire from office at least once in each three (3) years but shall be eligible for re-election.

Dato' Lim Soon Huat who retires in accordance with Clause 88 of the Company's Constitution and being eligible, has offered himself for re-election.

In determining the eligibility of the Director to stand for re-election at the forthcoming AGM, the Nomination and Remuneration Committee ("NRC") has considered the evaluation on the effectiveness of the Director in terms of character, experience, integrity, competency and time in discharging his roles as Director of the Company.

The Board (save for the retiring Director who had abstained from deliberation and voting) accepted the NRC's recommendation that the Director who retires in accordance with Clause 88 of the Company's Constitution met the fit and proper criteria and is eligible to stand for re-election.

The profile of the Director who is standing for re-election as per Agenda item 2 of the Notice of the 30th AGM is stated in the Annual Report 2024.

Notice of Annual General Meeting (continued)

3. Ordinary Resolution 2 – Proposed payment of Directors’ remuneration

Section 230(1) of the Act provides amongst others, that the fee of the Directors and any benefits payable to the Directors of a listed company shall be approved at the general meeting. Pursuant thereto, shareholders’ approval is sought for the payment of fees and benefits payable to Directors, in Ordinary Resolution 2 as follow:

Ordinary Resolution 2 – Payment of Directors’ fee and benefits for the period commencing one day after this AGM until the next AGM of the Company in year 2025.

The fees and benefits payable to each Director pursuant to Section 230(1)(b) of the Act have been reviewed by the Board of Directors of the Company, all of whom have recognised that the fees and benefits payable are in the best interest of the Company. The meeting allowance will be accorded based on the attendance of the Director at meetings.

In the event the proposed amount is insufficient, e.g. due to enlarged Board size, approval will be sought at the next AGM for the shortfall.

4. Ordinary Resolution 3 – Declaration of a single tier final dividend for the year ended 31 March 2024

In accordance with Clause 144 of the Constitution, the Company may make a distribution of dividends to the members out of profits of the Company available if the Company is solvent, but no dividend shall exceed the amount as authorised by the Board.

On 31 May 2024, the Board had recommended a final dividend of 3.5 sen per share in respect of this financial year ended 31 March 2024 to be paid to its shareholders subject to the approval of the shareholders at the 30th AGM of the Company.

Pursuant to Paragraph 8.26 of the Listing Requirements, the single tier final Dividend, if approved, shall be paid not later than three (3) months from the date of the shareholders’ approval.

5. Ordinary Resolution 4 – Re-appointment of Auditors

Pursuant to Section 271(3)(b) of the Act, shareholders shall appoint auditors who shall hold office until the conclusion of the next AGM in year 2025. The current auditors, Messrs BDO PLT has expressed their willingness to continue in office.

The Board and the Audit Committee (“AC”) have considered the re-appointment of Messrs BDO PLT as auditors of the Company and collectively agreed that Messrs BDO PLT has met the relevant criteria prescribed by Paragraph 15.21 of the Listing Requirements.

The Board wishes to seek shareholders’ approval for the re-appointment of Messrs BDO PLT as external auditors of the Company to hold the office until the conclusion of the next AGM.

6. Ordinary Resolution 5 – Authority to issue shares pursuant to the Companies Act 2016 and Waiver of Pre-emptive Rights

The proposed Ordinary Resolution 5 is primarily to seek for the renewal of the Previous Mandate (as defined herein) to give flexibility to the Board to issue and allot shares up to 10% of the total number of issued share (excluding treasury shares) of the Company for the time being, at any time to such persons in their absolute discretion for such purposes as the Board considers to be in the best interests of the Company (hereinafter referred to as the “General Mandate”).

Notice of Annual General Meeting (continued)

The Company had been granted a general mandate by its shareholders at the last AGM held on 29 September 2023 of which will lapse at the conclusion of the 30th AGM (hereinafter referred to as the "Previous Mandate").

The Previous Mandate granted by the shareholders had not been utilised and therefore, no proceed been raised therefrom.

The General Mandate, upon renewal, will provide flexibility to the Company to undertake any possible fund raising activities, including but not limited to placement of shares, for the purpose of funding Company's future investment projects, working capital, acquisitions and/or such other purposes as the Directors may deem fit, without having to convene a general meeting, provided that the aggregate number of the shares issued pursuant to the General Mandate does not exceed 10% of the total number of issued shares of the Company. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company.

The Waiver of Pre-emptive Rights will allow the Directors of the Company to issue new Ordinary Shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer the new shares to all existing shareholders of the Company prior to issuance of new shares in the Company under the General Mandate.

7. Ordinary Resolution 6 – Proposed Renewal of Share Buy-Back Authority

The proposed Ordinary Resolution 6, if passed, will empower the Directors of the Company to exercise the power of the Company to purchase the Company Shares of not more than 10% of the total number of issued shares of the Company at any time within the time period stipulated in the Bursa Securities MMLR by utilising the funds allocated which shall not exceed the total retained profits of the Company. This authority, unless revoked or varied at a meeting of members, shall continue to be in full force until the conclusion of the next AGM.

Please refer to the Share Buy-Back Statement dated 31 July 2024 which is despatched together with the Company's Annual Report 2024 for further information.

8. Ordinary Resolution 7 – To retain Independent Non-Executive Director to continue to act as Independent Non-Executive Director of the Company

The Ordinary Resolution 7, if passed, will enable Madam Lam Voon Kean who has served the Board as an Independent Non-Executive Director ("INED") for a cumulative term of more than nine years, to be retained as an INED of the Company. In line with the Malaysian Code on Corporate Governance, the Company is seeking shareholders' approval for the continuation in office of Madam Lam Voon Kean as INED.

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

- (a) She has over 35 years of experience in the fields of accounting, auditing, corporate secretarial and advisory.
- (b) She has performed her duties diligently and provided independent views during deliberations and decision making of the Board and Board Committees.

Notice of Annual General Meeting (continued)

- (c) She understood the business and operations of the Group as she has been with the Group for many years.
- (d) The length of her service on the Board does not in any way interfere with her exercise of independent judgment and ability to act in the best interest of the Group.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the 30th AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the 30th AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING:

(Pursuant to Paragraph 8.27(2) of MMLR)

As at date of this notice, there are no individuals who are standing for election as Directors (excluding the above Director who is standing for re-election or re-appointment) at this forthcoming Thirtieth (30th) AGM.

ASIA FILE CORPORATION BHD(Registration No.: 199401027510 (313192-P))
(Incorporated in Malaysia)**FORM OF PROXY**Thirtieth (30th)
Annual General Meeting

CDS Account No.	
No. of Shares Held	

I/We _____ (Tel:) _____ NRIC/Registration No. _____
(Full Name in Capital Letters)of _____
(Full address in Capital Letters)being a member of **ASIA FILE CORPORATION BHD** ("the Company") hereby appoint the following person(s):

First Proxy		
Name	NRIC/Passport No.	No. of shares to be represented
Second Proxy		
Name	NRIC/Passport No.	No. of shares to be represented

or failing him/her, the Chairman of the Meeting, as *my/our proxy/proxies to attend and to vote for *me/us on *my/our behalf at the Thirtieth Annual General Meeting ("**30th AGM**") of the Company to be held at **Olive 4 & 5, Level 6, Olive Tree Hotel, 76, Jalan Mahsuri, 11950 Bayan Lepas, Penang on Friday, 27 September 2024 at 10.30 am** and at any adjournment thereof.

My/Our Proxy is to vote as indicated below:

AGENDA		First Proxy		Second Proxy	
Ordinary Business		For	Against	For	Against
To receive the Audited Financial Statements for financial year ended 31 March 2024 together with the Reports of the Directors and Auditors thereon.					
ORDINARY RESOLUTIONS		First Proxy		Second Proxy	
Ordinary Business		For	Against	For	Against
Resolution 1	To re-elect Dato' Lim Soon Huat as a Director of the Company.				
Resolution 2	To approve the payment of Directors' fee and benefits.				
Resolution 3	To approve a single tier final dividend for the financial year ended 31 March 2024.				
Resolution 4	To re-appoint Messrs. BDO PLT as Auditors of the Company.				
Special Business					
Resolution 5	Authority to issue shares pursuant to the Companies Act 2016 and Waiver of Pre-emptive Rights.				
Resolution 6	Proposed Renewal of Share Buy-Back Authority.				
Resolution 7	To retain Madam Lam Voon Kean as an Independent Non-Executive Director of the Company.				

(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.)

Note: Please note that the short description given above on the Resolutions to be passed do not in any way whatsoever reflect the intent and purpose of the Resolutions. Shareholders are encouraged to refer to the Notice of 30th AGM for the full purpose and intent of the Resolutions to be passed.

Signed this _____ day of _____, 2024.

*Signature /Common Seal of Member

*Strike out whichever is not applicable.



Notes:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on **19 September 2024** (General Meeting Record of Depositors) shall be eligible to participate in the 30th AGM.
2. A Member may appoint up to two (2) proxies to attend and vote at the meeting. A proxy need not be a member of the Company but must be of full age of eighteen (18) years and above. If a Member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
3. 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.
4. 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.
5. The instrument appointing proxy(ies) may be made in hardcopy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the 30th AGM or any adjournments thereof:
 - (i) **In Hardcopy Form**
The proxy form shall be deposited at the Registered Office of the Company at Suite 18.05, MWE Plaza, No. 8, Lebuhr Farquhar, 10200 George Town, Pulau Pinang, Malaysia.
 - (ii) **By Electronic Means**
The proxy form shall be electronically lodged by fax to +604-262 8544 or by email to info@sshshb.com.my.
6. Pursuant to Paragraph 8.29A(1) of the Listing Requirements, all resolutions set out in this notice will be put to vote by way of a poll.

Please fold across the lines and close

AFFIX
STAMP

The Company Secretaries
ASIA FILE CORPORATION BHD
Registration No. 199401027510 (313192-P)
Suite 18.05, MWE Plaza,
No. 8, Lebuhr Farquhar,
10200 George Town,
Pulau Pinang, Malaysia.

Please fold across the lines and close

Personal data privacy:

By submitting the duly executed proxy form, the member and his/her proxy consent 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 30th AGM of the Company and any adjournment thereof.



Asia File Corporation Bhd.

Registration No. 199401027510 (313192-P)

Plot 16, Kawasan Perindustrian Bayan Lepas, Phase 4,
Mukim 12, Bayan Lepas, 11900 Penang, Malaysia.

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Website: www.asia-file.com