



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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

	As at end of Current Quarter 30/06/2014 (unaudited) RM'000	As at Preceding Financial Year End 31/03/2014 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	110,920	110,873
Prepaid lease payments	1,591	1,601
Investment properties	1,501	1,512
Investment in associate	127,699	125,969
Intangible assets	33,094	33,283
	274,805	273,238
Current Assets		
Trade and other receivables	89,333	80,764
Derivative financial assets	-	163
Inventories	102,767	103,999
Current tax assets	646	247
Cash and cash equivalents	75,129	78,155
	267,875	263,328
TOTAL ASSETS	542,680	536,566
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	118,161	116,733
Treasury shares	(1,846)	(1,845)
Reserves	338,155	320,895
	454,470	435,783
Non-controlling interests	42	31
Total Equity	454,512	435,814
Non-Current Liabilities		
Deferred tax liabilities	8,361	8,584
Bank borrowings	4,270	4,714
	12,631	13,298
Current Liabilities		
Trade and other payables	48,639	52,993
Bank borrowings	20,672	19,089
Current tax liabilities	6,226	4,801
Dividend payable	-	10,571
	75,537	87,454
Total Liabilities	88,168	100,752
TOTAL EQUITY AND LIABILITIES	542,680	536,566
Net Assets Per Share (sen)	385.93	374.60

The condensed financial statement should be read in conjunction with the most recent audited financial statements for the financial year ended 31 March 2014.



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

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THREE MONTHS PERIOD ENDED 30 JUNE 2014**

	Individual Quarter		Cumulative Quarter	
	Current Quarter 30/06/2014 RM'000	Preceding year Corresponding Quarter 30/06/2013 RM'000	Current Year to Date 30/06/2014 RM'000	Preceding year Corresponding Period 30/06/2013 RM'000
Revenue	104,322	83,132	104,322	83,132
Operating Expenses	(87,258)	(66,689)	(87,258)	(66,689)
Other Operating Income	128	96	128	96
Profit from Operations	17,192	16,539	17,192	16,539
Finance cost	(72)	(62)	(72)	(62)
Investing Results	218	67	218	67
Shares of profit of associate	1,709	4,001	1,709	4,001
Profit before tax	19,047	20,545	19,047	20,545
Taxation	(4,077)	(3,831)	(4,077)	(3,831)
Profit for the period	14,970	16,714	14,970	16,714
Other comprehensive income/(loss), net of tax Items that may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operations	(1,389)	3,287	(1,389)	3,287
Share of other comprehensive income of associates	21	(54)	21	(54)
Other Comprehensive income/(loss) for the period net of tax	(1,368)	3,233	(1,368)	3,233
Total comprehensive income/(loss) for the period	13,602	19,947	13,602	19,947

The condensed financial statement should be read in conjunction with the most recent audited financial statements for the financial year ended 31 March 2014.



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

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)
FOR THREE MONTHS PERIOD ENDED 30 JUNE 2014

	Individual Quarter		Cumulative Quarter	
	Current Quarter 30/06/2014 RM'000	Preceding year Corresponding Quarter 30/06/2013 RM'000	Current Year to Date 30/06/2014 RM'000	Preceding year Corresponding Period 30/06/2013 RM'000
Profit attributable to:				
Equity holders of the Company	14,961	16,590	14,961	16,590
Non-controlling interests	9	124	9	124
Profit for the period	14,970	16,714	14,970	16,714
Total comprehensive income / (loss) attributable to:				
Equity holders of the Company	13,591	19,833	13,591	19,833
Non-controlling interests	11	114	11	114
Total comprehensive income / (loss) for the period	13,602	19,947	13,602	19,947
Earnings per share attributable to equity holders of the Company:				
i) Basic earnings per ordinary share (sen) Note B13	12.73	14.32	12.73	14.32
ii) Fully diluted earnings per ordinary share (sen) Note B13	12.49	14.27	12.49	14.27

The condensed financial statement should be read in conjunction with the most recent audited financial statements for the financial year ended 31 March 2014.



ASIA FILE CORPORATION BHD. (313192-P)
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 JUNE 2014

	Attributable to owners of the Company					Distributable Retained Profits RM'000	Total RM'000	Non-Controlling	
	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Translation Reserve RM'000	Share Option Reserve RM'000			Interest RM'000	Total Equity RM'000
Quarter ended 30 June 2014									
At 1 April 2014,	116,733	(1,845)	19,723	7,487	3,478	290,207	435,783	31	435,814
Profit for the period	-	-	-	-	-	14,961	14,961	9	14,970
Other comprehensive income/(loss) for the period	-	-	-	(1,472)	-	102	(1,370)	2	(1,368)
Total comprehensive income/(loss) for the period	-	-	-	(1,472)	-	15,063	13,591	11	13,602
Treasury shares acquired	-	(1)	-	-	-	-	(1)	-	(1)
Transfer to share premium for share options exercised	-	-	974	-	(974)	-	-	-	-
Transfer from share option reserve for option lapsed	-	-	-	-	(40)	40	-	-	-
Share-based payments under ESOS	-	-	-	-	186	-	186	-	186
Issue of shares pursuant to ESOS	1,428	-	3,483	-	-	-	4,911	-	4,911
Post-acquisition reserve - associate	-	-	-	-	-	-	-	-	-
Effect arising from changes in composition via the associate	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-
At 30 June 2014	118,161	(1,846)	24,180	6,015	2,650	305,310	454,470	42	454,512
Quarter ended 30 June 2013									
At 1 April 2013,	116,247	(1,844)	18,332	(4,657)	2,844	254,126	385,048	90	385,138
Profit for the period	-	-	-	-	-	16,590	16,590	124	16,714
Other comprehensive income/(loss) for the period	-	-	-	3,243	-	-	3,243	(10)	3,233
Total comprehensive income/(loss) for the period	-	-	-	3,243	-	16,590	19,833	114	19,947
Treasury shares acquired	-	(1)	-	-	-	-	(1)	-	(1)
Transfer to share premium for share options exercised	-	-	2	-	(2)	-	-	-	-
Transfer from share option reserve for option lapsed	-	-	-	-	(32)	32	-	-	-
Share-based payments under ESOS	-	-	-	-	127	-	127	-	127
Issue of shares pursuant to ESOS	3	-	7	-	-	-	10	-	10
Post-acquisition reserve - associate	-	-	35	-	(32)	-	3	-	3
Dividends	-	-	-	-	-	-	-	-	-
At 30 June 2013	116,250	(1,845)	18,376	(1,414)	2,905	270,748	405,020	204	405,224

The condensed financial statement should be read in conjunction with the most recent audited financial statements for the financial year ended 31 March 2014.



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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THREE MONTHS PERIOD ENDED 30 JUNE 2014

	30-Jun-14 RM'000	30-Jun-13 RM'000
Profit before tax	19,047	20,545
Adjustment for:		
Non-cash items	1,459	(1,394)
Non-operating items	(144)	(13)
Operating profit before changes in working capital	<u>20,362</u>	<u>19,138</u>
Changes in working capital		
Net Change in current assets	(8,040)	(4,530)
Net Change in current liabilities	<u>(7,395)</u>	<u>(6,367)</u>
Net cash flows from operating activities	<u>4,927</u>	<u>8,241</u>
Investing activities		
Equity investments	-	-
Other investments	<u>(3,232)</u>	<u>(2,348)</u>
Financing activities		
Dividend paid	(10,571)	(9,268)
Purchase of own shares	(1)	(1)
Proceed from issue of shares	4,910	10
Bank borrowings, net	1,254	(1,214)
Interest paid	(44)	(32)
	<u>(4,452)</u>	<u>(10,505)</u>
Net Change in Cash & Cash Equivalents	(2,757)	(4,612)
Cash & Cash Equivalents at beginning of year	78,122	42,249
Effects of exchange rates on Cash & Cash Equivalents	(302)	434
Cash & Cash Equivalent at end of year	<u>75,063</u>	<u>38,071</u>

Note

Cash and cash equivalents

Cash and cash equivalents included in the condensed consolidated cash flow statements comprise the following condensed consolidated balance sheets amounts:

Cash and bank balances	75,129	38,168
Bank overdrafts (Refer Notes B9 (b))	<u>(66)</u>	<u>(97)</u>
	<u>75,063</u>	<u>38,071</u>

The condensed financial statement should be read in conjunction with the most recent audited financial statements for the financial year ended 31 March 2014.



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

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2014

A EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT - MFRS 134

A1 Basis of preparation

This condensed consolidated interim financial statements ("Condensed Report") has been prepared in accordance with MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. This Condensed Reports also complies with IAS 34: Interim Financial Reporting issued by the International Accounting Standards Board (IASB).

The Condensed Report should be read in conjunction with the audited financial statements for the year ended 31 March 2014. The explanatory notes attached to these Condensed Report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 March 2014.

The accounting policies and methods of computation adopted by the Group in this Condensed Report are consistent with the most recent annual audited financial statements for the year ended 31 March 2014 except for the adoption of the following new and revised MFRSs.

Adoption of MFRS, Amendments to MFRS and IC Interpretation

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2014

Amendments to MFRS 10, Consolidated Financial Statements: Investment Entities
Amendments to MFRS 12, Disclosure of Interests in Other Entities: Investment Entities
Amendments to MFRS 127, Separate Financial Statements (2011): Investment Entities
Amendments to MFRS 132, Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 136, Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2014

Amendments to MFRS 2, Share-based Payment (Annual Improvements 2010-2012 Cycle)
Amendments to MFRS 3, Business Combinations (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)
Amendments to MFRS 8, Operation Segments (Annual Improvements 2010-2012 Cycle)
Amendments to MFRS 13, Fair Value Measurement (Annual Improvements 2010-2012 Cycle)
Amendments to MFRS 116, Property, Plant and Equipment (Annual Improvements 2010-2012 Cycle)
Amendments to MFRS 124, Related Party Disclosures (Annual Improvements 2010-2012 Cycle)
Amendments to MFRS 138, Intangible Assets (Annual Improvements 2010-2012 Cycle)
Amendments to MFRS 140, Investment Property (Annual Improvements 2011-2013 Cycle)

MFRSs, Interpretations and amendments shall be effective subject to the date to be confirmed

MFRS 9, Financial Instruments (2009)
MFRS 9, Financial Instruments (2010)
MFRS 9, Financial Instruments (2013.)
Amendments to MFRS 7, Financial Instruments: Disclosures - Mandatory Effective Date of MFRS 9 and Transition Disclosures

The Group will adopt the above standards or amendments when they become effective in the respective financial periods. These standards or amendments are not expected to have any material financial impacts to the financial statements of the Group and of the Company upon their first adoption.

A2 Audit report of preceding annual financial statements

The audit report of the Group's annual financial statements for the year ended 31 March 2014 was not subject to any qualification.

A3 Seasonal or cyclical factors

The operation of the Group is not subject to any major effects of seasonality or cyclicity.

A4 Unusual items due to their Nature, Size or Incidence

There were no unusual items that have a material effect on the assets, liabilities, equity, net income or cash flow reported in the interim financial report.

A5 Material changes in accounting estimates

There were no material changes in accounting estimates of amounts reported in prior financial years.

A6 Issuance or repayment of debts and equity securities

1,427,820 ordinary shares were issued pursuant to the Employee Share Option Scheme during the financial quarter and financial year to date. Subsequent to the financial quarter ended 30 June 2014, 199,950 ordinary shares were issued pursuant to the Employee Share Option Scheme.

100 ordinary shares of Asia File Corporation Bhd was purchased and retained as treasury shares pursuant to the Shares Buy Back Scheme for the financial year to date. Accordingly, a total of 400,100 shares was retained as treasury shares as at 30 June 2014.

There was no shares purchased and retained as treasury shares subsequent to the financial quarter ended 30 June 2014.

Other than the above, there were no issuances or repayment of debts and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial quarter and financial year to date.

A7 Dividend Paid

No dividend was declared during the current financial quarter and financial year to date.

An interim single-tier dividend of 9% on 117,453,800 ordinary shares of RM1 each totalling RM10,570,842 in respect of the financial year ended 31 March 2014 was paid on 23 May 2014.

A8 Segment information**Business segment**

The Group is principally involved in the manufacture and trading of stationery and paper products. Business segmental information has therefore not been prepared as the Group's revenue, operating profit, assets employed, liabilities, capital expenditure, depreciation and amortization as well as non-cash expenses are mainly confined to one business segment.

A9 Valuations of property, plant and equipment

The valuations of land and buildings have been brought forward without amendment from the previous annual report.

A10 Material events subsequent to the end of the quarter

There were no material events subsequent to the end of the quarter.

A11 Changes in composition of the Group

There were no changes in the composition of the Group for the quarter.

A12 Changes in contingent liabilities/assets

The total contingent liabilities as at 30 June 2014 for the Company are corporate guarantees for banking facilities granted to subsidiaries of RM 125.41 million (31 March 2014: RM 113.47 million) and also corporate guarantee of RM 10.94 million provided to a supplier of the subsidiary in UK.

A13 Capital commitments approved and contracted for

	30-Jun-2014
	RM'000
Machinery	465
Motor Vehicle	179
Office Equipment	83
	<u>727</u>

Lease commitments

The Group's subsidiaries have entered into the following lease commitment:-

	30-Jun-2014
	RM'000
Less than one year	1,455
One to five years	364

A14 Intangible assets

	30-Jun-2014	31-Mar-2014
	RM'000	RM'000
Goodwill	30,235	30,235
Other intangible assets with finite life *	2,859	3,048
	<u>33,094</u>	<u>33,283</u>

* This was in relation to securing of manufacturing contract from customer. Amortisation will be charged to profit or loss over the contract period.

A15 Net assets per share (sen)

	30-Jun-2014	31-Mar-2014
Shareholders' Fund (RM'000)	454,470	435,783
Share Capital (000)	118,161	116,733
Treasury Shares (000)	(400)	(400)
	<u>117,761</u>	<u>116,333</u>
Net assets per share (sen)	385.93	374.60

B Additional information required by the Bursa Malaysia Securities Berhad's Listing Requirements**B1 Review of performance**

During the quarter under review, the Group achieved a total sales revenue of RM 104.3 million. This represented an increase of 25.5% when compared to the sales performance in the corresponding quarter last year of RM 83.1 million. Europe sector registered the biggest improvement in sales and was the main driver for the growth.

In terms of profit before tax, a total profit before tax of RM 19.05 million was recorded as compared to RM 20.55 million achieved in the corresponding quarter last year.

The drop in profit before tax is due to lower profit contribution from its associate. Share of profit from associate dropped from RM 4 million to RM 1.71 million during the quarter. In addition, a higher profit margin was recorded in June 2013 due to the more favorable exchange rate movement during the period as compared to June 2014.

B2 Comparison of profit before taxation with preceding quarter

Profit before tax achieved for the quarter of RM 19.05 million was 3.5% higher than the profit before tax of RM 18.4 million achieved in the preceding quarter.

Excluding the profit contribution of its associate, pre tax margin of 16.6% recorded during the quarter showed a slight improvement from 16.18% achieved in the preceding quarter.

B3 Current year prospects

The general outlook for the business remain cautious. Consolidation of market players will continue across industries. Despite the challenging path to be anticipated, the Group is optimistic that its operating performance will remain profitable.

B4 Profit forecast or profit guarantee

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

B5 Tax expense

	3 months ended	
	30-Jun	
	2014	2013
	RM'000	RM'000
Current year tax expense		
- Based on results for the year	4,256	2,943
- (Over)/under provision in respect of prior year	-	-
	4,256	2,943
Withholding Tax	8	-
Deferred tax expense		
- Current year	(187)	888
	<u>4,077</u>	<u>3,831</u>

B6 Disclosure of Realised and Unrealised Profit/ Losses

The retained profits as at 30 June 2014 is analysed as follows:

	As at	As at
	30-Jun-2014	31-Mar-2014
	RM'000	RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	262,383	247,901
- Unrealised	(8,273)	(6,837)
	<u>254,110</u>	<u>241,064</u>
Total share of retained profits from associates:		
- Realised	31,486	31,388
- Unrealised	1,957	2,072
	<u>33,443</u>	<u>33,460</u>
Add: Consolidation adjustment	17,757	15,683
Total Group retained profits as per consolidated accounts	<u>305,310</u>	<u>290,207</u>

B7 Sale of unquoted investments and properties

There were no sales of unquoted investments for the current quarter and financial year to date.

B8 Status of corporate proposal announced

On 6 August 2014, Asia File Corporation Berhad proposed to undertake a bonus issue of up to 71,762,460 new Asia File shares to be credited as fully paid-up on the basis of three (3) new shares for every five (5) existing shares held on an entitlement date to be determined later.

As announced on 20 August 2014, the listing application in relation to the Proposed Bonus Issue has been submitted to Bursa Malaysia Securities Berhad on 20 August 2014.

As of 28 August 2014, Bursa Securities had, vide its letter dated 27 August 2014 resolved to approve the listing and quotation of up to 71,762,460 Bonus Shares to be issued pursuant to the Proposed Bonus Issue.

B9 Group borrowings and debt securities

Group borrowings relate to bank overdraft, foreign currency loan and term loan which are denominated in Ringgit Malaysia, USD and HKD.

	As at
	30-Jun-2014
	RM'000
a) Bank borrowing - Non-current	
Term Loan	<u>4,270</u>
b) Bank borrowing - Current	
Bank overdraft	66
Foreign currency loan	19,292
Portion of term loan due within one year	1,314
	<u>20,672</u>

B10 Off balance sheet financial instruments

During the period under review, the Group has not entered into any contract involving off balance sheet financial instruments.

B11 Changes in material litigation

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

B12 Dividends Proposed

After taking into consideration of the net cash position for the current financial year ended 31 March 2014, the Group decided to recommend a final single-tier dividend of 13.5% (2013: 12.5%) subject to approval by shareholders. The payment date for the recommended final dividend shall be determined by the Directors and to be announced at a later date.

B13 Earnings per share

	Current Quarter ended 30-Jun-2014	Current Year to Date 30-Jun-2014
Basic earnings per share		
Profit attributable to equity holders of the Company	14,961	14,961
Weighted average number of ordinary shares ('000)	117,555	117,555
Basic earnings per share (sen)	<u>12.73</u>	<u>12.73</u>
	Current Quarter ended 30-Jun-14	Current Year to Date 30-Jun-14
Diluted earnings per share		
Profit attributable to equity holders of the Company	14,961	14,961
Weighted average number of ordinary shares ('000)	117,555	117,555
Adjustment for share options ('000)	<u>2,228</u>	<u>2,228</u>
Weighted average number of ordinary shares for diluted earnings per share ('000)	<u>119,783</u>	<u>119,783</u>
Diluted earnings per share (sen)	<u>12.49</u>	<u>12.49</u>

B14 Notes to the Condensed Consolidated Statement of Comprehensive Income

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

	Current Quarter Ended 30-Jun-14 RM'000	Cumulative Year To Date 30-Jun-14 RM'000
a) interest income	218	218
b) other income including investment income	130	130
c) interest expense	(72)	(72)
d) depreciation and amortisation	(2,819)	(2,819)
e) provision for and write off of receivables	(16)	(16)
f) provision for and write off of inventories	-	-
g) gain or (loss) on disposal of quoted or unquoted investments or properties	(2)	(2)
h) impairment of assets	-	-
i) foreign exchange gains	418	418
j) gain or (loss) on derivatives	31	31
k) exceptional items	-	-

B15 The condensed consolidated interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors.

By Order of The Board

Tai Yit Chan (MAICSA 7009143)

Ong Tze-En (MAICSA 7026537)

Joint Company Secretaries

29 August 2014
