

ASIA FILE CORPORATION BHD. (313192-P)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

	As at end of Current Quarter 31/12/2015 (unaudited) RM'000	As at Preceding Financial Year End 31/03/2015 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	106,410	104,446
Prepaid lease payments	1,533	1,562
Investment properties	1,439	1,470
Investment in associate	133,547	129,211
Intangible assets	32,112	32,098
	275,041	268,787
Current Assets		
Trade and other receivables	75,700	75,664
Derivative financial assets	1,737	202
Inventories	115,175	103,801
Current tax assets	210	84
Available-for-sale financial assets	58,540	-
Cash and cash equivalents	93,168	116,129
	344,530	295,880
TOTAL ASSETS	619,571	564,667
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	191,318	189,990
Reserves	323,921	272,325
	515,239	462,315
Non-controlling interests	257	73
Total Equity	515,496	462,388
Non-Current Liabilities		
Deferred tax liabilities	9,199	8,294
Bank borrowings	2,462	3,015
	11,661	11,309
Current Liabilities		
Trade and other payables	41,315	47,174
Bank borrowings	28,758	27,824
Current tax liabilities	8,949	4,536
Dividend payable	13,392	11,436
	92,414	90,970
Total Liabilities	104,075	102,279
TOTAL EQUITY AND LIABILITIES	619,571	564,667
Net Assets Per Share (sen) (refer Note A15)	269.31	243.34



CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR NINE MONTHS PERIOD ENDED 31 DECEMBER 2015

	Individual Quarter		Cumulative Quarter		
	Current Quarter 31/12/2015 RM'000	Preceding year Corresponding Quarter 31/12/2014 RM'000	Current Year to Date 31/12/2015 RM'000	Preceding year Corresponding Period 31/12/2014 RM'000	
Revenue	98,460	90,282	292,575	286,625	
Operating Expenses	(77,350)	(76,656)	(224,135)	(242,890)	
Other Operating Income	333	344	2,609	715	
Profit from Operations	21,443	13,970	71,049	44,450	
Finance cost	(72)	(73)	(217)	(229)	
Investing Results	713	202	1,529	602	
Shares of profit of associate	1,975	827	4,216	3,117	
Profit before tax	24,059	14,926	76,577	47,940	
Taxation	(5,610)	(3,410)	(16,885)	(10,652)	
Profit for the period	18,449	11,516	59,692	37,288	
Other comprehensive income/(loss), net of tax Items that may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations	(6,999)	2,563	19,109	(3,640)	
Share of other comprehensive income of associates	(548)	476	1,953	523	
Available-for-sale financial assets	40	-	40	-	
Other Comprehensive income/(loss) for the period net of tax	(7,507)	3,039	21,102	(3,117)	
Total comprehensive income/(loss) for the period	10,942	14,555	80,794	34,171	



ASIA FILE CORPORATION BHD. (313192-P)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued) FOR NINE MONTHS PERIOD ENDED 31 DECEMBER 2015

	Individual Quarter		Cumulativ	e Quarter
	Current Quarter 31/12/2015 RM'000	Preceding year Corresponding Quarter 31/12/2014 RM'000	Current Year to Date 31/12/2015 RM'000	Preceding year Corresponding Period 31/12/2014 RM'000
Profit attributable to:				
Equity holders of the Company	18,411	11,504	59,580	37,258
Non-controlling interests	38	12	112	30
Profit for the period	18,449	11,516	59,692	37,288
Total comprehensive income / (loss) attributable to:				
Equity holders of the Company	10,931	14,535	80,610	34,141
Non-controlling interests	11	20	184	30
Total comprehensive income / (loss) for the period	10,942	14,555	80,794	34,171
Earnings per share attributable to equity holders of the Company:				
 Basic earnings per ordinary share (sen) 				
Note B13	9.65	6.09 *	31.23	19.72 *
 ii) Fully diluted earnings per ordinary share (sen) Note B13 	9.54	6.03 *	30.94	19.53 *

* Restated to take into consideration adjustment for bonus issue of three (3) ordinary shares for every five (5) ordinary shares of RM1 each



ASIA FILE CORPORATION BHD. (313192-P) (Incorporated in Malaysia) CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE QUARTER ENDED 31 DECEMBER 2015

	<u>ــــــــــــــــــــــــــــــــــــ</u>	A	ttributable to owner — Non-distril		-	Distributable				
	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Translation Reserve RM'000	Share Option Reserve RM'000	Retained Profits RM'000	AFS Reserves RM'000	Total RM'000	Non-Controlling Interest RM'000	Total Equity RM'000
Year ended 31 December 2015										
At 1 April 2015,	189,990	-	352	1,015	2,744	268,214	-	462,315	73	462,388
Profit for the period	-	-	-	-		59,580	-	59,580	112	59,692
Other comprehensive income/(loss) for the period	-	-	-	20,872	-	118	40	21,030	72	21,102
Total comprehensive income/(loss) for the period	-	-	-	20,872	-	59,698	40	80,610	184	80,794
Treasury shares acquired	-	(1)	-	-	-	-	-	(1)	-	(1)
Transfer to share premium for share										
options exercised	-	-	700	-	(700)	-	-	-	-	-
Transfer from share option reserve										
for option lapsed	-	-	-	-	(232)	232	-	-	-	-
Share-based payments under ESOS	-	-	-	-	250	-	-	250	-	250
Issue of shares pursuant to ESOS	1,328	-	1,320	-	-	-	-	2,648	-	2,648
Dividends	-	-	-	-	-	(30,583)	-	(30,583)	-	(30,583)
At 31 December 2015	191,318	(1)	2,372	21,887	2,062	297,561	40	515,239	257	515,496
Year ended 31 December 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	-	-	-	-	-	37,258	-	37,258	30	37,288
Other comprehensive income/(loss) for the period	-	-	-	(3,478)	-	361	-	(3,117)		(3,117)
Total comprehensive income/(loss) for the period	-	-	-	(3,478)	-	37,619	-	34,141	30	34,171
Treasury shares acquired	-	(1)	-	-	-	-	-	(1)	-	(1)
Transfer to share premium for share										
options exercised	-	-	1,301	-	(1,301)	-	-	-	-	-
Transfer from share option reserve										
for option lapsed	-	-	-	-	(102)	102	-	-	-	-
Share-based payments under ESOS	-	-	-	-	526	-	-	526	-	526
Issue of shares pursuant to ESOS	1,963	-	4,622	-	-	-	-	6,585	-	6,585
Effect arising from changes in composition via the associate						(4)		(4)		(4)
Dividend	-	-	-	-	-	(27,331)	-	(27,331)	-	(27,331)
At 31 December 2014	118,696	(1,846)	25,646	4,009	2,601	300,593	-	449,699	61	449,760



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR NINE MONTHS PERIOD ENDED 31 DECEMBER 2015

	31-Dec-15 RM'000	31-Dec-14 RM'000
Profit before tax	76,577	47,940
Adjustment for:		
Non-cash items	2,841	6,008
Non-operating items	(1,354)	(491)
Operating profit before changes in working capital	78,064	53,457
Changes in working capital		
Net Change in current assets	7,579	(1,988)
Net Change in current liabilities	(28,987)	(20,848)
Net cash flows from operating activities	56,656	30,621
Investing activities		
Equity investments	1,833	1,832
Other investments	(910)	(6,181)
Available-for-sale financial assets	(58,540)	
	(57,617)	(4,349)
Financing activities		
Dividend paid	(28,627)	(26,541)
Purchase of own shares	(1)	(1)
Proceed from issue of shares	2,648	6,585
Bank borrowings, net	(323)	7,026
Interest paid	(189)	(200)
	(26,492)	(13,131)
Net Change in Cash & Cash Equivalents	(27,453)	13,141
Cash & Cash Equivalents at beginning of year	116,129	78,122
Effects of exchange rates on Cash & Cash Equivalents	4,492	(796)
Cash & Cash Equivalent at end of year	93,168	90,467

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

93,168 90,467



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

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 2015. 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 2015.

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 2015 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 July 2014

Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2011-2013 Cycle)

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 119, Employee Benefits - Defined Benefit Plans: Employee Contribution 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 2010-2013 Cycle)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2016

Amendments to MFRS 5, Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements 2012-2014 Cycle)

Amendments to MFRS 7, Financial Instruments : Disclosures (Annual Improvements 2012-2014 Cycle)

Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Venture - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Amendments to MFRS 10, Consolidated Financial Statements and MFRS 12, Disclosure of Interests in Other Entities and MFRS 128, Investments in Associates and Joint Venture - Investment Entities : Applying the Consolidation Exception

Amendments to MFRS 11, Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations MFRS 14, Regulatory Deferral Accounts

Amendments to MFRS 101, Presentation of Financial Statements - Disclosure Initiative

Amendments to MFRS 116, Property, Plant and Equipment and MFRS 138, Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortisation

Amendments to MFRS 116, Property, Plant and Equipment and MFRS 141, Agriculture - Agriculture : Bearer Plants Amendments to MFRS 119, Employee Benefits (Annual Improvements 2012-2014 Cycle)

Amendments to MFRS 127, Separate Financial Statements - Equity method in Separate Financial Statements Amendments to MFRS 134, Interim Financial Reporting (Annual Improvements 2012-2014 Cycle)

MFRSs. Interpretations and amendments effective for annual periods beginning on or after 1 January 2017

MFRS 15, Revenue from Contracts with Customers

MFRSs. Interpretations and amendments effective for annual periods beginning on or after 1 January 2018

MFRS 9, Financial Instruments (2014)



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

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 2015 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 cyclicality.

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

451,920 and 1,327,620 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 31 December 2015, no ordinary shares were issued pursuant to the Employee Share Option Scheme.

100 and 200 ordinary shares of Asia File Corporation Bhd was purchased and retained as treasury shares pursuant to the Shares Buy Back Scheme during the financial quarter and financial year to date. Accordingly, a total of 200 shares was retained as treasury shares as at 31 December 2015.

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

An interim single-tier dividend of 6% on 190,594,300 ordinary shares of RM1 each totalling RM11,435,658 in respect of the financial year ended 31 March 2015 was paid on 27 May 2015.

A final dividend of 9% on 191,010,680 ordinary shares of RM1 each totalling RM 17,190,961.20 for the financial year ended 31 March 2015 was paid on 17 December 2015.

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 31 December 2015 for the Company are corporate guarantees for banking facilities granted to subsidiaries of RM 136.13 million (31 March 2015: RM 131.57 million) and also corporate guarantee of RM 12.72 million provided to a supplier of the subsidiary in UK.



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

A13 Capital commitments approved and contracted for

	31-Dec-2015 RM'000
Machinery	1,094
Lease commitments	
The Group's subsidiaries have entered i	nto the following lease commitment:-
	31-Dec-2015
	RM'000
Less than one year	1,677
One to five years	5,451
A14 Intangible assets	

	31-Dec-2015 RM'000	31-Mar-2015 RM'000
Goodwill	30.235	30.235
Other intangible assets with finite life *	1,877	1,863
	32,112	32,098

* 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)

	31-Dec-2015	31-Mar-2015
Shareholders' Fund (RM'000)	515,239	462,315
Share Capital (000)	191,318	189,990
	191,318	189,990
Net assets per share (sen)	269.31	243.34

B Additional information required by the Bursa Malaysia Securities Berhad's Listing Requirements

B1 Review of performance

During the quarter under review, a total revenue of RM 98.5 million was achieved as compared to RM 90.3 million recorded in the corresponding period last year. Despite a rather challenging local economy sentiment, domestic revenue grew by 9.2% on the back of greater market share. In addition, there were also improvement in sales from selective oversea markets as customers replenished their orders.

In terms of profit before tax, there was an improvement of 61% as the figure improved from RM 14.9 million to RM 24.1 million in the current quarter

The increased business volume has enabled the Group to tap into the advantage of economy of scales in operation and optimized its utilization of resources at its various plants. In addition, a weaker local currency has also contributed to a better margin for the quarter.

B2 Comparison of profit before taxation with preceding quarter

Based on a lower revenue of RM 98.5 million (Preceding quarter : RM 100.1 million), pre tax profit for the quarter dropped from RM 27.5 million to RM 24.1 million when compared to the preceding quarter.

A total forex loss of RM 1.4 million was recorded for the current quarter as compared to forex gain of RM 6.1 million reported in the preceding quarter.

B3 Current year prospects

Going forward, the Group will strategize its sales to focus on higher margin product mix while continue to improve on its operation efficiency. Riding on its current strong market position, the Group is confident that it will continue to gain support from its customers.

The Group remain positive on its future prospects. For the cumulative period of nine months, the Group hit a record of RM 76.6 million in its pre tax profit as compared to RM 47.9 million achieved in the corresponding period last year.

B4 Profit forecast or profit guarantee

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



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

B5 Tax expense

	Year en 31-De	
	2015 RM'000	2014 RM'000
Current year tax expense		
- Based on results for the year	16,180	10,237
- (Over)/under provision in respect of prior year	197	76
	16,377	10,313
Withholding Tax	19	33
Deferred tax expense		
- Current year	489	306
	16,885	10,652

B6 Disclosure of Realised and Unrealised Profit/ Losses

The retained profits as at 31 December 2015 is analysed as follows:

	As at 31-Dec-2015 RM'000	As at 31-Mar-2015 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	252,646	224,275
- Unrealised	(9,873)	(8,244)
	242,773	216,031
Total share of retained profits from associates:		
- Realised	37,057	31,958
- Unrealised	1,695	2,461
	38,752	34,419
Add: Consolidation adjustment	16,036	17,764
Total Group retained profits as per consolidated accounts	297,561	268,214

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

No corporate proposed was announced by the Group.

B9 Group borrowings and debt securities

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

	31-Dec-2015 RM'000
a) Bank borrowing - Non-current	
Term Loan	2,462
b) Bank borrowing - Current	
Foreign currency loan	27,351
Portion of term loan due within one year	1,407
	28,758

B10 Derivative Financial instruments

The Group entered into forward currency contracts to manage the exposure to foreign exchange risk arising from transactions that are not denominated in the functional currency of the operations.

Details of the Group's derivative financial instruments outstanding as at 31 December 2015 are as follows :-

	Contract or	
	Notional	Fair Value
	Amount RM'000	Net Gain RM'000
Forward currency contracts - Less than 1 year	49,861	1,737



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

B11 Changes in material litigation

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

B12 Dividends Proposed

After taking into consideration the enlarged share capital of the Group subsequent to the bonus issue and its net cash position, the Group proposed to recommend a single tier interim dividend of 7% for the quarter under review and financial year to date (previous corresponding quarter : a single tier dividend of 6%). The dividend will be paid at a date to be determined later.

_

B13 Earnings per share

	Current Quarter ended 31-Dec-2015	Current Year to Date 31-Dec-2015
Basic earnings per share		
Profit attributable to equity holders of the Company	18,411	59,580
Weighted average number of ordinary shares ('000)	190,799	190,755
Basic earnings per share (sen)	9.65	31.23
	Current Quarter ended 31-Dec-15	Current Year to Date 31-Dec-15
Diluted earnings per share		
Profit attributable to equity holders of the Company	18,411	59,580
Weighted average number of ordinary shares ('000)	190,799	190,755
Adjustment for share options ('000)	2,133	1,817
Weighted average number of ordinary shares for diluted earnings per share ('000)	192,932	192,572
Diluted earnings per share (sen)	9.54	30.94

B14 Fair value of financial instruments

The carrying amounts of cash and cash equivalents, trade and other current assets, and trade and other liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).

- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, Unobservable inputs) (Level 3).

The table below presents the financial instruments of the Group, which are measured at fair value, classified by level of the fair value hierarchy.

	Fair value hierarchy		
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
31 December 2015			
Financial assets			
Financial assets at fair value through			
profit or loss	-	1,737	-
Available-for-sale financial assets	-	40	-
	-	1,777	-
31 March 2015			
Financial assets			
Financial assets at fair value through			
profit or loss	-	202	-
Available-for-sale financial assets	-	-	-
	-	202	-



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

B15 Notes to the Condensed Consolidated Statement of Comprehensive Income

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

	Current Quarter Ended 31-Dec-15 RM'000	Cumulative Year To Date 31-Dec-15 RM'000
a) interest income	713	1,529
b) other income including investment income	371	2,575
c) interest expense	(72)	(217)
d) depreciation and amortisation	(2,802)	(8,276)
e) provision for and write off of receivables	-	(4)
f) provision for and write off of inventories	-	-
g) gain or (loss) on disposal of quoted or unquoted investments		
or properties	(39)	34
h) impairment of assets	-	-
i) foreign exchange gains	(1,430)	9,056
j) gain or (loss) on derivatives	2,922	1,510
k) exceptional items	-	-

B16 The condensed consolidated interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 27 February 2016.

By Order of The Board

Tai Yit Chan (MAICSA 7009143) Ong Tze-En (MAICSA 7026537) Joint Company Secretaries 27 February 2016