



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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2016

	As at end of Current Quarter 30/09/2016 (unaudited) RM'000	As at Preceding Financial Year End 31/03/2016 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	99,461	100,613
Prepaid lease payments	1,503	1,523
Investment properties	1,408	1,429
Investment in associate	132,544	134,942
Intangible assets	31,652	31,760
Deferred tax assets	11	-
	<u>266,579</u>	<u>270,267</u>
Current Assets		
Trade and other receivables	61,650	82,656
Derivative financial assets	-	4,207
Inventories	105,281	107,959
Current tax assets	179	30
Other Investments	75,291	88,197
Cash and cash equivalents	103,242	75,577
	<u>345,643</u>	<u>358,626</u>
TOTAL ASSETS	<u>612,222</u>	<u>628,893</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	192,249	191,318
Treasury shares	(1)	(1)
Reserves	340,510	330,275
	<u>532,758</u>	<u>521,592</u>
Non-controlling interests	292	232
Total Equity	<u>533,050</u>	<u>521,824</u>
Non-Current Liabilities		
Deferred tax liabilities	8,972	8,928
	<u>8,972</u>	<u>8,928</u>
Current Liabilities		
Trade and other payables	29,304	49,863
Bank borrowings	33,724	28,430
Current tax liabilities	7,172	6,456
Dividend payable	-	13,392
	<u>70,200</u>	<u>98,141</u>
Total Liabilities	<u>79,172</u>	<u>107,069</u>
TOTAL EQUITY AND LIABILITIES	<u>612,222</u>	<u>628,893</u>
Net Assets Per Share (sen) (refer Note A15)	277.12	272.63

The condensed financial statement should be read in conjunction with the most recent audited financial statements for the financial year ended 31 March 2016.



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

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR SIX MONTHS PERIOD ENDED 30 SEPTEMBER 2016

	Individual Quarter		Cumulative Quarter	
	Current Quarter 30/09/2016 RM'000	Preceding year Corresponding Quarter 30/09/2015 RM'000	Current Year to Date 30/09/2016 RM'000	Preceding year Corresponding Period 30/09/2015 RM'000
Revenue	81,454	100,148	171,931	194,115
Operating Expenses	(67,744)	(74,864)	(142,588)	(146,785)
Other Operating Income	112	370	359	2,276
Profit from Operations	13,822	25,654	29,702	49,606
Finance cost	(81)	(72)	(163)	(145)
Investing Results	1,967	435	3,040	816
Shares of profit of associate	(3,156)	1,493	(2,040)	2,241
Profit before tax	12,552	27,510	30,539	52,518
Taxation	(3,685)	(6,118)	(7,637)	(11,275)
Profit for the period	8,867	21,392	22,902	41,243
Other comprehensive income/(expense), net of tax				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operations	2,738	19,243	1,411	26,108
Fair value of available-for-sale financial assets	74	-	822	-
	2,812	19,243	2,233	26,108
Items that will not be reclassified subsequently to profit or loss				
Share of other comprehensive income of equity-accounted associates	1,171	1,819	1,473	2,501
Other Comprehensive income/(expense) for the period, net of tax	3,983	21,062	3,706	28,609
Total comprehensive income/(loss) for the period	12,850	42,454	26,608	69,852

The condensed financial statement should be read in conjunction with the most recent audited financial statements for the financial year ended 31 March 2016.



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

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)
FOR SIX MONTHS PERIOD ENDED 30 SEPTEMBER 2016

	Individual Quarter		Cumulative Quarter	
	Current Quarter 30/09/2016 RM'000	Preceding year Corresponding Quarter 30/09/2015 RM'000	Current Year to Date 30/09/2016 RM'000	Preceding year Corresponding Period 30/09/2015 RM'000
Profit attributable to:				
Equity holders of the Company	8,825	21,400	22,814	41,169
Non-controlling interests	42	(8)	88	74
Profit for the period	8,867	21,392	22,902	41,243
Total comprehensive income / (loss) attributable to:				
Equity holders of the Company	12,812	42,395	26,548	69,679
Non-controlling interests	38	59	60	173
Total comprehensive income / (loss) for the period	12,850	42,454	26,608	69,852
Earnings per share attributable to equity holders of the Company:				
i) Basic earnings per ordinary share (sen) Note B13	4.60	11.23	11.88	21.60
ii) Fully diluted earnings per ordinary share (sen) Note B13	4.56	11.12	11.79	21.40

The condensed financial statement should be read in conjunction with the most recent audited financial statements for the financial year ended 31 March 2016.



ASIA FILE CORPORATION BHD. (313192-P)
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 SEPTEMBER 2016

	← Attributable to owners of the Company →						Distributable Retained Earnings RM'000	Total RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Non-distributable Share Option Reserve RM'000	Translation Reserve RM'000	Fair Value Reserve RM'000				
Year ended 30 September 2016										
At 1 April 2016,	191,318	(1)	2,372	2,136	10,390	783	314,594	521,592	232	521,824
Profit for the period	-	-	-	-	-	-	22,814	22,814	88	22,902
Other comprehensive income/(loss) for the period	-	-	-	-	2,019	822	893	3,734	(28)	3,706
Total comprehensive income/(loss) for the period	-	-	-	-	2,019	822	23,707	26,548	60	26,608
Transfer to share premium for share options exercised	-	-	599	(599)	-	-	-	-	-	-
Share-based payments under ESOS	-	-	-	41	-	-	-	41	-	41
Issue of shares pursuant to ESOS	931	-	935	-	-	-	-	1,866	-	1,866
Dividend	-	-	-	-	-	-	(17,289)	(17,289)	-	(17,289)
At 30 September 2016	192,249	(1)	3,906	1,578	12,409	1,605	321,012	532,758	292	533,050
Year ended 30 September 2015										
At 1 April 2015,	189,990	-	352	2,744	1,015	-	268,214	462,315	73	462,388
Profit for the period	-	-	-	-	-	-	41,169	41,169	74	41,243
Other comprehensive income/(loss) for the period	-	-	-	-	28,291	-	219	28,510	99	28,609
Total comprehensive income/(loss) for the period	-	-	-	-	28,291	-	41,388	69,679	173	69,852
Transfer to share premium for share options exercised	-	-	429	(429)	-	-	-	-	-	-
Transfer from share option reserve for option lapsed	-	-	-	(200)	-	-	200	-	-	-
Share-based payments under ESOS	-	-	-	174	-	-	-	174	-	174
Issue of shares pursuant to ESOS	876	-	864	-	-	-	-	1,740	-	1,740
Dividend	-	-	-	-	-	-	(17,191)	(17,191)	-	(17,191)
At 30 September 2015	190,866	-	1,645	2,289	29,306	-	292,611	516,717	246	516,963

The condensed financial statement should be read in conjunction with the most recent audited financial statements for the financial year ended 31 March 2016.



ASIA FILE CORPORATION BHD. (313192-P)
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR SIX MONTHS PERIOD ENDED 30 SEPTEMBER 2016

	30-Sep-16	30-Sep-15
	RM'000	RM'000
Profit before tax	30,539	52,518
Adjustment for:		
Non-cash items	11,124	4,794
Non-operating items	(2,908)	(732)
Operating profit before changes in working capital	38,755	56,580
Changes in working capital		
Net Change in current assets	23,322	2,432
Net Change in current liabilities	(26,919)	(27,874)
Net cash flows from operating activities	35,158	31,138
Investing activities		
Equity investments	1,833	1,833
Other investments	13,929	(903)
	15,762	930
Financing activities		
Dividend paid	(30,681)	(11,435)
Purchase of own shares	(1)	(1)
Proceed from issue of shares	1,866	1,740
Bank borrowings, net	5,294	4,878
Interest paid	(163)	(103)
	(23,685)	(4,921)
Net Change in Cash & Cash Equivalents	27,235	27,147
Cash & Cash Equivalents at beginning of year	75,577	116,129
Effects of exchange rates on Cash & Cash Equivalents	430	6,123
Cash & Cash Equivalent at end of year	103,242	149,399

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	103,242	149,399
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The condensed financial statement should be read in conjunction with the most recent audited financial statements for the financial year ended 31 March 2016.



ASIA FILE CORPORATION BHD. (313192-P)
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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2016

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 2016. 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 2016.

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 2016 except for the adoption of the following new/revised MFRSs.

Adoption of MFRS, Amendments to MFRS and IC Interpretation

On 1 April 2016, the Group adopted the following new and amended MFRSs and IC Interpretation which are mandatory for annual financial periods beginning on or after 1 January 2016:

MFRS 14, Regulatory Deferral Accounts

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, MFRS 12, Disclosure of Interests in Other Entities and MFRS 128, Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception

Amendments to MFRS 11, Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations

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)

There is no material impact arising from adoption of the above standards and amendments on the financial statements of the Group.

MFRSs and Amendments to MFRSs Issued but not yet effective

The following are MFRSs and Amendments to MFRSs with effective dates after 1 January 2016 issued by MASB and they have not been early adopted by the Group in this set of financial statements.

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

Amendments to MFRS 107, Statement of Cash Flows – Disclosure Initiative

Amendments to MFRS 112, Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses

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

MFRS 9, Financial Instruments (2014)

MFRS 15, Revenue from Contracts with Customers

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2019

MFRS 16, Leases

MFRSs, Interpretations and amendments effective for a date yet to be confirmed

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



ASIA FILE CORPORATION BHD. (313192-P)
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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2016

A2 Audit report of preceding annual financial statements

The audit report of the Group's annual financial statements for the year ended 31 March 2016 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

266,660 and 931,380 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 September 2016, 414,440 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 in May 2015. Accordingly, a total of 300 shares was retained as treasury shares as at 30 September 2016.

There was no shares purchased and retained as treasury shares subsequent to the financial quarter ended 30 September 2016.

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

A final dividend of 9% on 192,100,160 ordinary shares of RM1 each totalling RM 17,289,014.40 for the financial year ended 31 March 2016 was paid on 29 September 2016.

An interim single-tier dividend of 7% on 191,317,660 ordinary shares of RM1 each totalling RM 13,392,236.20 for the financial year ended 31 March 2016 was paid on 28 April 2016.

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 September 2016 for the Company are corporate guarantees for banking facilities granted to subsidiaries of RM 123.32 million (31 March 2016: RM 133.22 million). There was also a corporate guarantee of RM 10.74 million provided to a supplier of a subsidiary in UK.



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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2016

A13 Lease commitments

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

	30-Sep-2016
	RM'000
Less than one year	1,416
One to five years	3,540

A14 Intangible assets

	30-Sep-2016	31-Mar-2016
	RM'000	RM'000
Goodwill	30,235	30,235
Other intangible assets with finite life *	1,417	1,525
	<u>31,652</u>	<u>31,760</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-Sep-2016	31-Mar-2016
Shareholders' Fund (RM'000)	532,758	521,592
Share Capital (000)	192,249	191,318
	<u>192,249</u>	<u>191,318</u>
Net assets per share (sen)	277.12	272.63

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

B1 Review of performance

Total turnover for the quarter slipped to RM 81.5 million as compared to RM 100.1 million achieved in the corresponding quarter last year.

The weakening in foreign currencies such as Sterling Pound and Euro against Ringgit Malaysia has a major impact on the declining sales trend. The closing rate for Sterling Pound against Ringgit Malaysia has weakened from 6.67 to 5.37 when compared with the closing rate in September 2015.

Profit before taxation (excluding the share of result of associate) declined from RM 26.0 million to RM 15.7 million as a result of lower sales and negative impact from unfavourable exchange rate movement. A total of RM 1.8 million in foreign exchange loss was recorded during the quarter as compared to foreign exchange gain of RM 6.1 million recorded in the corresponding period last year.

During the quarter, a total loss of RM 3.1 million (September 2015 : RM 1.49 million in profit) was included under the Group's share of result of its associate. This was due to the write off of inventory, warehouse and other assets damaged in a fire by the associate company. After accounted for the above loss, total profit before tax for the quarter contracted to RM 12.6 million as compared to RM 27.5 million reported in the corresponding period last year.

B2 Comparison of profit before taxation with preceding quarter

Profit before tax for the quarter dropped to RM 12.6 million as compared to RM 18.0 million achieved in the preceding quarter as a result of weaker sales and also the share of loss suffered by the associate company of RM 3.1 million (as compared to share of profit of RM 1.1 million in preceding quarter).

Excluding the share of result of the associate, pre tax margin for the quarter had improved to 19.3% when compared to 18.6% achieved in the preceding quarter.

B3 Current year prospects

The overall business sentiment will remain cautious and uncertain. However, the Group will continue to take proactive actions to ensure the sustainability of its operation and is confident that its operation will remain profitable for the financial year ending 31 March 2017.

B4 Profit forecast or profit guarantee

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



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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2016

B5 Tax expense

	Year ended 30-Sep	
	2016 RM'000	2015 RM'000
Current year tax expense		
- Based on results for the year	7,659	10,734
- (Over)/under provision in respect of prior year	(2)	28
	7,657	10,762
Withholding tax	7	12
Deferred tax expense		
- Current year	(27)	501
	7,637	11,275

B6 Disclosure of Realised and Unrealised Profit/ Losses

The retained profits as at 30 September 2016 is analysed as follows:

	As at 30-Sep-2016 RM'000	As at 31-Mar-2016 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	276,571	266,946
- Unrealised	(10,684)	(10,236)
	265,887	256,710
Total share of retained profits from associates:		
- Realised	34,864	37,779
- Unrealised	1,399	1,463
	36,263	39,242
Add: Consolidation adjustment	18,862	18,642
Total Group retained profits as per consolidated accounts	321,012	314,594

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 which are denominated in USD.

	As at 30-Sep-2016 RM'000
a) Bank borrowing - Current Foreign currency loan	33,724

B10 Off Balance Sheet Financial instruments

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



ASIA FILE CORPORATION BHD. (313192-P)
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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2016

B11 Other Investments

	As at 30-Sep-16 RM'000	As at 31-Mar-16 RM'000
Available-for-sale financial assets:		
Short term funds	31,605	84,613
Fair value through profit or loss:		
Investment in dual currency structured products	8,686	3,584
Equity-Linked Investment	35,000	-
	43,686	3,584

B12 Changes in material litigation

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

B13 Dividends Proposed

After taking into consideration its financial position, the Group proposed to recommend an interim single tier dividend of 3% for the quarter under review and financial year to date. The payment date for the recommended interim dividend shall be determined by the Directors and to be announced at a later date.

B14 Earnings per share

	Current Quarter ended 30-Sep-2016	Current Year to Date 30-Sep-2016
Basic earnings per share		
Profit attributable to equity holders of the Company	8,825	22,814
Weighted average number of ordinary shares ('000)	191,930	191,957
Basic earnings per share (sen)	4.60	11.88
Diluted earnings per share		
Profit attributable to equity holders of the Company	8,825	22,814
Weighted average number of ordinary shares ('000)	191,930	191,957
Adjustment for share options ('000)	1,414	1,476
Weighted average number of ordinary shares for diluted earnings per share ('000)	193,344	193,433
Diluted earnings per share (sen)	4.56	11.79

B15 Fair value of financial instruments

The carrying amounts of cash and cash equivalents, short term receivables and payables and short term borrowings reasonably approximate their fair values due to the relatively short term nature of these financial instruments.

The table below analyses financial instruments carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position. 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.



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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2016

	Fair value hierarchy			Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
30 September 2016				
<u>Financial assets</u>				
Available-for-sale financial assets	-	31,605	-	31,605
Financial assets at fair value through profit or loss	-	43,686	-	43,686
	-	75,291	-	75,291

	Fair value hierarchy			Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
31 March 2016				
<u>Financial assets</u>				
Available-for-sale financial assets	-	84,613	-	84,613
Forward exchange contracts	-	4,207	-	4,207
Financial assets at fair value through profit or loss	-	3,584	-	3,584
	-	92,404	-	92,404

B16 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-Sep-16 RM'000	Cumulative Year To Date 30-Sep-16 RM'000
a) interest income	1,951	2,522
b) other income including investment income	128	877
c) interest expense	(81)	(163)
d) depreciation and amortisation	(2,431)	(4,827)
e) provision for and write off of receivables	8	(6)
f) provision for and write off of inventories	-	-
g) gain or (loss) on disposal of quoted or unquoted investments or properties	-	-
h) impairment of assets	-	-
i) foreign exchange gains	(1,795)	(3,091)
j) gain or (loss) on derivatives	112	459
k) exceptional items	-	-

B17 The condensed consolidated interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors.