



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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	As at end of Current Quarter 31/12/2016 (unaudited) RM'000	As at Preceding Financial Year End 31/03/2016 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	98,513	100,613
Prepaid lease payments	1,494	1,523
Investment properties	1,398	1,429
Investment in associate	136,666	134,942
Intangible assets	31,539	31,760
Deferred tax assets	13	-
	<u>269,623</u>	<u>270,267</u>
Current Assets		
Trade and other receivables	68,367	82,656
Derivative financial assets	-	4,207
Inventories	104,665	107,959
Current tax assets	179	30
Other Investments	68,825	88,197
Cash and cash equivalents	119,326	75,577
	<u>361,362</u>	<u>358,626</u>
TOTAL ASSETS	<u>630,985</u>	<u>628,893</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	192,664	191,318
Treasury shares	(2)	(1)
Reserves	353,901	330,275
	<u>546,563</u>	<u>521,592</u>
Non-controlling interests	364	232
Total Equity	<u>546,927</u>	<u>521,824</u>
Non-Current Liabilities		
Deferred tax liabilities	9,525	8,928
	<u>9,525</u>	<u>8,928</u>
Current Liabilities		
Trade and other payables	35,937	49,863
Bank borrowings	27,557	28,430
Current tax liabilities	5,259	6,456
Dividend payable	5,780	13,392
	<u>74,533</u>	<u>98,141</u>
Total Liabilities	<u>84,058</u>	<u>107,069</u>
TOTAL EQUITY AND LIABILITIES	<u>630,985</u>	<u>628,893</u>
Net Assets Per Share (sen) (refer Note A15)	283.69	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 NINE MONTHS PERIOD ENDED 31 DECEMBER 2016**

	Individual Quarter		Cumulative Quarter	
	Current Quarter 31/12/2016 RM'000	Preceding year Corresponding Quarter 31/12/2015 RM'000	Current Year to Date 31/12/2016 RM'000	Preceding year Corresponding Period 31/12/2015 RM'000
Revenue	87,914	98,460	259,845	292,575
Operating Expenses	(74,436)	(77,350)	(217,024)	(224,135)
Other Operating Income	161	333	520	2,609
Profit from Operations	13,639	21,443	43,341	71,049
Finance cost	(99)	(72)	(262)	(217)
Investing Results	3,299	713	6,339	1,529
Shares of profit of associate	3,588	1,975	1,548	4,216
Profit before tax	20,427	24,059	50,966	76,577
Taxation	(3,423)	(5,610)	(11,060)	(16,885)
Profit for the period	17,004	18,449	39,906	59,692
Other comprehensive income/(expense), net of tax				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operations	2,902	(6,999)	4,313	19,109
Fair value of available-for-sale financial assets	(1,605)	40	(783)	40
	1,297	(6,959)	3,530	19,149
Items that will not be reclassified subsequently to profit or loss				
Share of other comprehensive income of equity-accounted associates	534	(548)	2,007	1,953
Other Comprehensive income/(expense) for the period, net of tax	1,831	(7,507)	5,537	21,102
Total comprehensive income/(loss) for the period	18,835	10,942	45,443	80,794

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 NINE MONTHS PERIOD ENDED 31 DECEMBER 2016

	Individual Quarter		Cumulative Quarter	
	Current	Preceding year	Current	Preceding year
	Quarter	Corresponding	Year to	Corresponding
	31/12/2016	31/12/2015	Date	Period
	RM'000	RM'000	RM'000	RM'000
Profit attributable to:				
Equity holders of the Company	16,951	18,411	39,765	59,580
Non-controlling interests	53	38	141	112
Profit for the period	<u>17,004</u>	<u>18,449</u>	<u>39,906</u>	<u>59,692</u>
Total comprehensive income / (loss) attributable to:				
Equity holders of the Company	18,763	10,931	45,311	80,610
Non-controlling interests	72	11	132	184
Total comprehensive income / (loss) for the period	<u>18,835</u>	<u>10,942</u>	<u>45,443</u>	<u>80,794</u>
Earnings per share attributable to equity holders of the Company:				
i) Basic earnings per ordinary share (sen)				
Note B13	8.82	9.65	20.70	31.23
ii) Fully diluted earnings per ordinary share (sen) Note B13	8.77	9.54	20.57	30.94

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 31 DECEMBER 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 31 December 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	-	-	-	-	-	-	39,765	39,765	141	39,906
Other comprehensive income/(loss) for the period	-	-	-	-	5,241	(783)	1,088	5,546	(9)	5,537
Total comprehensive income/(loss) for the period	-	-	-	-	5,241	(783)	40,853	45,311	132	45,443
Treasury shares acquired	-	(1)	-	-	-	-	-	(1)	-	(1)
Transfer to share premium for share options exercised	-	-	797	(797)	-	-	-	-	-	-
Transfer from share option reserve for option lapsed	-	-	-	(22)	-	-	22	-	-	-
Share-based payments under ESOS	-	-	-	55	-	-	-	55	-	55
Issue of shares pursuant to ESOS	1,346	-	1,329	-	-	-	-	2,675	-	2,675
Dividend	-	-	-	-	-	-	(23,069)	(23,069)	-	(23,069)
At 31 December 2016	192,664	(2)	4,498	1,372	15,631	-	332,400	546,563	364	546,927
Year ended 31 December 2015										
At 1 April 2015,	189,990	-	352	2,744	1,015	-	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	40	118	21,030	72	21,102
Total comprehensive income/(loss) for the period	-	-	-	-	20,872	40	59,698	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
Dividend	-	-	-	-	-	-	(30,583)	(30,583)	-	(30,583)
At 31 December 2015	191,318	(1)	2,372	2,062	21,887	40	297,561	515,239	257	515,496

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 CASH FLOWS
FOR NINE MONTHS PERIOD ENDED 31 DECEMBER 2016

	31-Dec-16	31-Dec-15
	RM'000	RM'000
Profit before tax	50,966	76,577
Adjustment for:		
Non-cash items	10,025	2,841
Non-operating items	(6,125)	(1,354)
Operating profit before changes in working capital	54,866	78,064
Changes in working capital		
Net Change in current assets	20,025	7,579
Net Change in current liabilities	(26,431)	(28,987)
Net cash flows from operating activities	48,460	56,656
Investing activities		
Equity investments	1,833	1,833
Other investments	21,587	(59,450)
	23,420	(57,617)
Financing activities		
Dividend paid	(30,681)	(28,627)
Purchase of own shares	(1)	(1)
Proceed from issue of shares	2,675	2,648
Bank borrowings, net	(873)	(323)
Interest paid	(262)	(189)
	(29,142)	(26,492)
Net Change in Cash & Cash Equivalents	42,738	(27,453)
Cash & Cash Equivalents at beginning of year	75,577	116,129
Effects of exchange rates on Cash & Cash Equivalents	1,011	4,492
Cash & Cash Equivalent at end of year	119,326	93,168

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	119,326	93,168
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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 PERIOD ENDED 31 DECEMBER 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 PERIOD ENDED 31 DECEMBER 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

414,440 and 1,345,820 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 31 December 2016, 113,960 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 400 shares was retained as treasury shares as at 31 December 2016.

There was no shares purchased and retained as treasury shares subsequent to the financial quarter ended 31 December 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

An interim single-tier dividend of 3% on 192,663,280 ordinary shares of RM1 each totalling RM 5,779,898.40 for the financial year ended 31 March 2017 was paid on 19 January 2017.

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 31 December 2016 for the Company are corporate guarantees for banking facilities granted to subsidiaries of RM 126.07 million (31 March 2016: RM 133.22 million). There was also a corporate guarantee of RM 11.06 million provided to a supplier of a subsidiary in UK.



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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2016

A13 Lease commitments

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

	31-Dec-2016
	RM'000
Less than one year	1,458
One to five years	3,281

A14 Intangible assets

	31-Dec-2016	31-Mar-2016
	RM'000	RM'000
Goodwill	30,235	30,235
Other intangible assets with finite life *	1,304	1,525
	<u>31,539</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)

	31-Dec-2016	31-Mar-2016
Shareholders' Fund (RM'000)	546,563	521,592
Share Capital (000)	192,664	191,318
	<u>192,664</u>	<u>191,318</u>
Net assets per share (sen)	283.69	272.63

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

B1 Review of performance

When compared to the corresponding quarter in the preceding year, total revenue contracted from RM 98.5 million to RM 87.9 million. During the quarter, a total pre tax profit of RM 20.4 million was recorded (December 2015: 24.1 million)

An overall softer market demand has affected sales to certain export market while a weaker rate for the Sterling pound (closing rate for the quarter of 5.53 versus 6.36 in December 2015) has an adverse impact in both the revenue figure and also the profit margin.

B2 Comparison of profit before taxation with preceding quarter

Profit before tax for the quarter of RM 20.4 million is 62% higher than the amount of RM 12.6 million recorded in the preceding quarter. The improvement is mainly attributable to higher share of profits of associate during the quarter.

B3 Current year prospects

While the Group is confident of the continued support from its customers, it acknowledges the challenging environment within which the Group operates in. The Group intends to actively pursuing other business activities to complement or expand its current product range.

Based on the current performance to date, the Group remain confident that its operating results 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.



ASIA FILE CORPORATION BHD. (313192-P)
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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2016

B5 Tax expense

	Year ended 31-Dec	
	2016 RM'000	2015 RM'000
Current year tax expense		
- Based on results for the year	10,585	16,180
- (Over)/under provision in respect of prior year	20	197
	10,605	16,377
Withholding tax	9	19
Deferred tax expense		
- Current year	446	489
	<u>11,060</u>	<u>16,885</u>

B6 Disclosure of Realised and Unrealised Profit/ Losses

The retained profits as at 31 December 2016 is analysed as follows:

	As at 31-Dec-2016 RM'000	As at 31-Mar-2016 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	284,032	266,946
- Unrealised	(10,644)	(10,236)
	<u>273,388</u>	<u>256,710</u>
Total share of retained profits from associates:		
- Realised	38,679	37,779
- Unrealised	1,367	1,463
	<u>40,046</u>	<u>39,242</u>
Add: Consolidation adjustment	18,966	18,642
Total Group retained profits as per consolidated accounts	<u>332,400</u>	<u>314,594</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

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 31-Dec-2016 RM'000
a) Bank borrowing - Current Foreign currency loan	<u>27,557</u>

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 PERIOD ENDED 31 DECEMBER 2016

B11 Other Investments

	As at 31-Dec-16 RM'000	As at 31-Mar-16 RM'000
Available-for-sale financial assets:		
Short term funds	-	84,613
Fair value through profit or loss:		
Investment in dual currency structured products	13,825	3,584
Equity-Linked Investment	55,000	-
	68,825	3,584

B12 Changes in material litigation

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

B13 Dividends Proposed

The Board of Directors have recommended a single tier second interim dividend of 4% for the quarter under review. 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 31-Dec-2016	Current Year to Date 31-Dec-2016
Basic earnings per share		
Profit attributable to equity holders of the Company	16,951	39,765
Weighted average number of ordinary shares ('000)	192,232	192,147
Basic earnings per share (sen)	8.82	20.70
	Current Quarter ended 31-Dec-16	Current Year to Date 31-Dec-16
Diluted earnings per share		
Profit attributable to equity holders of the Company	16,951	39,765
Weighted average number of ordinary shares ('000)	192,232	192,147
Adjustment for share options ('000)	1,105	1,205
Weighted average number of ordinary shares for diluted earnings per share ('000)	193,337	193,352
Diluted earnings per share (sen)	8.77	20.57

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 PERIOD ENDED 31 DECEMBER 2016

	Fair value hierarchy			Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
31 December 2016				
<u>Financial assets</u>				
Financial assets at fair value through profit or loss	-	68,825	-	68,825
	-	68,825	-	68,825

	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 31-Dec-16 RM'000	Cumulative Year To Date 31-Dec-16 RM'000
a) interest income	1,820	4,342
b) other income including investment income	1,640	2,517
c) interest expense	(99)	(262)
d) depreciation and amortisation	(2,471)	(7,298)
e) provision for and write off of receivables	27	21
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	(288)	(3,379)
j) gain or (loss) on derivatives	-	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.