



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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	As at end of Current Quarter 30/06/2017 (unaudited) RM'000	As at Preceding Financial Year End 31/03/2017 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	106,336	102,486
Prepaid lease payments	1,474	1,484
Investment properties	1,377	1,387
Investment in associate	141,403	140,747
Intangible assets	31,409	31,455
Deferred tax assets	16	14
	<u>282,015</u>	<u>277,573</u>
Current Assets		
Trade and other receivables	87,424	69,282
Inventories	103,048	105,940
Current tax assets	189	200
Other Investments	82,935	125,155
Cash and cash equivalents	108,499	72,438
	<u>382,095</u>	<u>373,015</u>
TOTAL ASSETS	<u>664,110</u>	<u>650,588</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	202,331	199,334
Treasury shares	(2)	(2)
Reserves	375,270	358,211
	<u>577,599</u>	<u>557,543</u>
Non-controlling interests	383	365
Total Equity	<u>577,982</u>	<u>557,908</u>
Non-Current Liabilities		
Deferred tax liabilities	9,924	9,609
	<u>9,924</u>	<u>9,609</u>
Current Liabilities		
Trade and other payables	41,953	41,910
Bank borrowings	29,672	29,159
Current tax liabilities	4,579	4,212
Dividend payable	-	7,790
	<u>76,204</u>	<u>83,071</u>
Total Liabilities	<u>86,128</u>	<u>92,680</u>
TOTAL EQUITY AND LIABILITIES	<u>664,110</u>	<u>650,588</u>
Net Assets Per Share (sen) (refer Note A15)	296.77	288.01

The condensed financial statement should be read in conjunction with the most recent audited financial statements for the financial year ended 31 March 2017.



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 2017**

	Individual Quarter		Cumulative Quarter	
	Current Quarter 30/06/2017 RM'000	Preceding year Corresponding Quarter 30/06/2016 RM'000	Current Year to Date 30/06/2017 RM'000	Preceding year Corresponding Period 30/06/2016 RM'000
Revenue	90,915	90,477	90,915	90,477
Operating Expenses	(75,842)	(74,844)	(75,842)	(74,844)
Other Operating Income	144	247	144	247
Profit from Operations	15,217	15,880	15,217	15,880
Finance cost	(123)	(82)	(123)	(82)
Investing Results	1,973	1,073	1,973	1,073
Shares of profit of associate	942	1,116	942	1,116
Profit before tax	18,009	17,987	18,009	17,987
Taxation	(3,814)	(3,952)	(3,814)	(3,952)
Profit for the period	14,195	14,035	14,195	14,035
Other comprehensive income/(expense), net of tax				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operations	3,916	(1,327)	3,916	(1,327)
Fair value of available-for-sale financial assets	-	748	-	748
	3,916	(579)	3,916	(579)
Items that will not be reclassified subsequently to profit or loss				
Share of other comprehensive income of equity-accounted associates	(255)	302	(255)	302
Other Comprehensive income/(expense) for the period, net of tax	3,661	(277)	3,661	(277)
Total comprehensive income/(loss) for the period	17,856	13,758	17,856	13,758

The condensed financial statement should be read in conjunction with the most recent audited financial statements for the financial year ended 31 March 2017.



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 2017

	Individual Quarter		Cumulative Quarter	
	Current Quarter 30/06/2017 RM'000	Preceding year Corresponding Quarter 30/06/2016 RM'000	Current Year to Date 30/06/2017 RM'000	Preceding year Corresponding Period 30/06/2016 RM'000
Profit attributable to:				
Equity holders of the Company	14,184	13,989	14,184	13,989
Non-controlling interests	11	46	11	46
Profit for the period	<u>14,195</u>	<u>14,035</u>	<u>14,195</u>	<u>14,035</u>
Total comprehensive income / (loss) attributable to:				
Equity holders of the Company	17,838	13,736	17,838	13,736
Non-controlling interests	18	22	18	22
Total comprehensive income / (loss) for the period	<u>17,856</u>	<u>13,758</u>	<u>17,856</u>	<u>13,758</u>
Earnings per share attributable to equity holders of the Company:				
i) Basic earnings per ordinary share (sen) Note B13 a)	7.28	7.29	7.28	7.29
ii) Fully diluted earnings per ordinary share (sen) Note B13 b)	7.28	7.23	7.28	7.23

The condensed financial statement should be read in conjunction with the most recent audited financial statements for the financial year ended 31 March 2017.



ASIA FILE CORPORATION BHD. (313192-P)
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 JUNE 2017

	← 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 June 2017										
At 1 April 2017,	199,334	(2)	-	862	16,064	-	341,285	557,543	365	557,908
Profit for the period	-	-	-	-	-	-	14,184	14,184	11	14,195
Other comprehensive income/(loss) for the period	-	-	-	-	3,654	-	-	3,654	7	3,661
Total comprehensive income/(loss) for the period	-	-	-	-	3,654	-	14,184	17,838	18	17,856
Transfer from share option reserve for option lapsed	-	-	-	(114)	-	-	114	-	-	-
Issue of shares pursuant to ESOS	2,997	-	-	(748)	-	-	-	2,249	-	2,249
Bonus Issue to NCI of Associate's subsidiary	-	-	-	-	-	-	(31)	(31)	-	(31)
At 30 June 2017	202,331	(2)	-	-	19,718	-	355,552	577,599	383	577,982
Year ended 30 June 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	-	-	-	-	-	-	13,989	13,989	46	14,035
Other comprehensive income/(loss) for the period	-	-	-	-	(1,105)	748	104	(253)	(24)	(277)
Total comprehensive income/(loss) for the period	-	-	-	-	(1,105)	748	14,093	13,736	22	13,758
Transfer to share premium for share options exercised	-	-	364	(364)	-	-	-	-	-	-
Share-based payments under ESOS	-	-	-	20	-	-	-	20	-	20
Issue of shares pursuant to ESOS	665	-	642	-	-	-	-	1,307	-	1,307
At 30 June 2016	191,983	(1)	3,378	1,792	9,285	1,531	328,687	536,655	254	536,909

The condensed financial statement should be read in conjunction with the most recent audited financial statements for the financial year ended 31 March 2017.



ASIA FILE CORPORATION BHD. (313192-P)
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THREE MONTHS PERIOD ENDED 30 JUNE 2017

	30-Jun-17	30-Jun-16
	RM'000	RM'000
Profit before tax	18,009	17,987
Adjustment for:		
Non-cash items	1,471	3,098
Non-operating items	(1,862)	(518)
Operating profit before changes in working capital	17,618	20,567
Changes in working capital		
Net Change in current assets	(13,093)	10,363
Net Change in current liabilities	(4,046)	(17,873)
Net cash flows from operating activities	479	13,057
Investing activities		
Other investments	39,262	(9,632)
	39,262	(9,632)
Financing activities		
Dividend paid	(7,791)	(13,392)
Proceed from issue of shares	2,249	1,307
Bank borrowings, net	513	2,911
Interest paid	(123)	(82)
	(5,152)	(9,256)
Net Change in Cash & Cash Equivalents	34,589	(5,831)
Cash & Cash Equivalents at beginning of year	72,438	75,577
Effects of exchange rates on Cash & Cash Equivalents	1,472	(219)
Cash & Cash Equivalent at end of year	108,499	69,527

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	108,499	69,527
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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 2017.



ASIA FILE CORPORATION BHD. (313192-P)
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NOTES TO THE INTERIM FINANCIAL REPORT FOR THREE MONTHS PERIOD ENDED 30 JUNE 2017

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 2017. 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 2017.

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 2017 except for the adoption of the following new/revised MFRSs.

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

Amendments to MFRS 12, Disclosure of Interests in Other Entities (Annual Improvements to MFRS Standards 2014-2016 Cycle)
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
Clarifications to MFRS 15, Revenue from Contracts with Customers
IC Interpretation 22, Foreign Currency Transactions and Advance Consideration
Amendments to MFRS 1, First time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2014-2016 Cycle)
Amendments to MFRS 2, Share-based Payment - Classification and Measurement of Share-based Payment Transactions
Amendments to MFRS 128, Investments in Associates and Joint Ventures (Annual Improvements to MFRS Standards 2014-2016 Cycle)
Amendments to MFRS 140, Investment Property - Transfers of Investment Property

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

MFRS 16, Leases
IC Interpretation 23, Uncertainty Over Income Tax Treatments

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2021

MFRS 17, Insurance Contracts

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

A2 Audit report of preceding annual financial statements

The audit report of the Group's annual financial statements for the year ended 31 March 2017 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

1,048,600 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 2017, no ordinary shares were issued pursuant to the Employee Share Option Scheme as the Scheme expired on 21 April 2017.

100 ordinary shares of Asia File Corporation Bhd was purchased and retained as treasury shares pursuant to the Shares Buy Back Scheme during the financial year to date. Accordingly, a total of 500 shares was retained as treasury shares as at 31 March 2017.

There was no shares purchased and retained as treasury shares subsequent to the financial quarter ended 30 June 2017.

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.



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NOTES TO THE INTERIM FINANCIAL REPORT FOR THREE MONTHS PERIOD ENDED 30 JUNE 2017

A7 Dividend Paid

A second interim single-tier dividend of RM0.04 per share on 194,759,160 ordinary shares totalling RM 7,790,366.40 for the financial year ended 31 March 2017 was paid on 25 May 2017.

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 2017 for the Company are corporate guarantees for banking facilities granted to subsidiaries of RM 117.48 million (31 March 2017: RM 125.60 million). There was also a corporate guarantee of RM 11.16 million provided to a supplier of a subsidiary in UK.

A13 Lease commitments

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

	30-Jun-2017
	RM'000
Less than one year	1,472
One to five years	2,575

A14 Intangible assets

	30-Jun-2017	31-Mar-2017
	RM'000	RM'000
Goodwill	30,235	30,235
Other intangible assets with finite life *	1,174	1,220
	<u>31,409</u>	<u>31,455</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-2017	31-Mar-2017
Shareholders' Fund (RM'000)	577,982	557,908
Share Capital (Unit 000)	194,759	193,711
Net assets per share (sen)	296.77	288.01

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

B1 Review of performance

Sales revenue generated during the quarter remain consistent with that achieved in the corresponding quarter last year (June 2017: RM 90.9 million June 2016: RM90.5 million). Despite the challenging business environment, sales performance across its various market segments reflected consistency and resilience against the adverse industry trend.

The strengthening of USD against the local currency has resulted in an increased cost for certain imported material by up to 15%. In addition, tight labour situation and introduction of minimum wage in July 2016 resulted in a higher labour cost in its manufacturing plants in Malaysia. Despite these challenges, pre tax profit for the Group remained consistent at RM 18.01 million when compared to RM 17.99 million recorded in the corresponding quarter last year. This was made possible by prudent cost management and improvement in production efficiency. In addition, the Group also registered a favourable exchange gain during the quarter of RM 1.45 million.

B2 Comparison of profit before taxation with preceding quarter

Profit before tax dropped from RM 19.88 million in the preceding quarter to RM 18.01 million in the current quarter. The main reason for the drop is attributable to a much lower share of profit of associate (June 2017: RM0.94 million June 2016: RM 3.64 million)

Excluding the share of profit of associate, the pre tax profit has actually increased from RM 16.2 million in the preceding quarter as compared to RM 17.1 million achieved during the quarter. In terms of pre tax margin (excluding the share of profit of associate), it has improved from 17.96% to 18.77%

The above increase is mainly due to improvement in investing results (June 2017: RM 2.0 million Mar2017: RM 1.4million) and also higher foreign exchange gain reported during the quarter (June 2017: RM 1.4 million Mar 2017: RM 368,000)



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NOTES TO THE INTERIM FINANCIAL REPORT FOR THREE MONTHS PERIOD ENDED 30 JUNE 2017

B3 Current year prospects

Although files manufacturing will remain the core business activity, the Group will continue to explore opportunities to invest in new synergistic venture to expand and diversify its existing products. The first such venture will be paper and plastic disposable food ware in which the Group could leverage on its familiarity with the materials used in the production.

The Group will maintain its filing business and will continue to strengthen its position internationally in which it has successfully obtained new orders. In view of the consistency in its current performance and with the new project in the pipeline, the Group remain confident and optimistic of its future performance.

B4 Profit forecast or profit guarantee

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

B5 Tax expense

	Year ended 30-Jun	
	2017 RM'000	2016 RM'000
Current year tax expense		
- Based on results for the year	3,635	4,048
- (Over)/under provision in respect of prior year	66	(1)
	3,701	4,047
Withholding tax	1	4
Deferred tax expense		
- Current year	112	(99)
	3,814	3,952

B6 Realised and Unrealised Profit or Losses Disclosure

	As at 30-Jun-2017 RM'000	As at 31-Mar-2017 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	301,134	289,310
- Unrealised	(9,705)	(11,626)
	291,429	277,684
Total share of retained profits from associates:		
- Realised	43,706	42,815
- Unrealised	990	970
	44,696	43,785
Add: Consolidation adjustment	19,427	19,815
Total Group retained profits as per consolidated accounts	355,552	341,284

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-Jun-2017 RM'000
Bank borrowing - Current	
- Foreign currency loan	29,672
	29,672

B10 Other Investments

	As at 30-Jun-17 RM'000	As at 31-Mar-17 RM'000
Available-for-sale financial assets:		
Short term funds	28,702	32,521
Fair value through profit or loss:		
Investment in dual currency structured products	-	38,401
Equity-Linked Investment	54,233	54,233
	82,935	125,155

B11 Changes in material litigation

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



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NOTES TO THE INTERIM FINANCIAL REPORT FOR THREE MONTHS PERIOD ENDED 30 JUNE 2017

B12 Dividends Proposed

The Board of Directors have recommended a final single tier dividend of 9% (2017:9%) subject to approval from the shareholders. The dividend will be paid on 26 October 2017.

B13 Earnings per share

	Current Quarter ended 30-Jun-2017	Current Year to Date 30-Jun-2017
a) Basic		
Profit attributable to equity holders of the Company (RM'000)	14,184	14,184
Weighted average number of ordinary shares (Unit 000)	194,759	194,759
Basic earnings per share (sen)	7.28	7.28
b) Diluted		
Profit attributable to equity holders of the Company	14,184	14,184
Weighted average number of ordinary shares (Unit 000)	194,759	194,759
Adjustment for share options (Unit 000)	17	17
Weighted average number of ordinary shares for diluted earnings per share (Unit 000)	194,776	194,776
Diluted earnings per share (sen)	7.28	7.28

B14 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.

	Level 1 RM'000	Fair value hierarchy Level 2 RM'000	Level 3 RM'000	Carrying amount RM'000
30 June 2017				
<u>Financial assets</u>				
Available-for-sale financial assets	-	28,702	-	28,702
Financial assets at fair value through profit or loss	-	54,233	-	54,233
	-	82,935	-	82,935
	Level 1 RM'000	Fair value hierarchy Level 2 RM'000	Level 3 RM'000	Carrying amount RM'000
31 March 2017				
<u>Financial assets</u>				
Available-for-sale financial assets	-	32,521	-	32,521
Financial assets at fair value through profit or loss	-	92,634	-	92,634
	-	125,155	-	125,155



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NOTES TO THE INTERIM FINANCIAL REPORT FOR THREE MONTHS PERIOD ENDED 30 JUNE 2017

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 30-Jun-17 RM'000	Cumulative Year To Date 30-Jun-17 RM'000
a) interest income	1,799	1,799
b) other income including investment income	317	317
c) interest expense	(123)	(123)
d) depreciation and amortisation	(2,412)	(2,412)
e) provision for and write off of receivables	(4)	(4)
f) foreign exchange gains	1,445	1,445

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