



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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	As at end of Current Quarter 30/06/2016 (unaudited) RM'000	As at Preceding Financial Year End 31/03/2016 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	99,594	100,613
Prepaid lease payments	1,513	1,523
Investment properties	1,419	1,429
Investment in associate	136,360	134,942
Intangible assets	31,688	31,760
	<u>270,574</u>	<u>270,267</u>
Current Assets		
Trade and other receivables	76,189	82,656
Derivative financial assets	2,410	4,207
Inventories	101,860	107,959
Current tax assets	125	30
Other Investments	97,525	88,197
Cash and cash equivalents	69,527	75,577
	<u>347,636</u>	<u>358,626</u>
TOTAL ASSETS	<u>618,210</u>	<u>628,893</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	191,983	191,318
Treasury shares	(1)	(1)
Reserves	344,673	330,275
	<u>536,655</u>	<u>521,592</u>
Non-controlling interests	254	232
Total Equity	<u>536,909</u>	<u>521,824</u>
Non-Current Liabilities		
Deferred tax liabilities	8,815	8,928
	<u>8,815</u>	<u>8,928</u>
Current Liabilities		
Trade and other payables	35,251	49,863
Bank borrowings	31,341	28,430
Current tax liabilities	5,894	6,456
Dividend payable	-	13,392
	<u>72,486</u>	<u>98,141</u>
Total Liabilities	<u>81,301</u>	<u>107,069</u>
TOTAL EQUITY AND LIABILITIES	<u>618,210</u>	<u>628,893</u>
Net Assets Per Share (sen) (refer Note A15)	279.53	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 THREE MONTHS PERIOD ENDED 30 JUNE 2016

	Individual Quarter		Cumulative Quarter	
	Current Quarter 30/06/2016 RM'000	Preceding year Corresponding Quarter 30/06/2015 RM'000	Current Year to Date 30/06/2016 RM'000	Preceding year Corresponding Period 30/06/2015 RM'000
Revenue	90,477	93,967	90,477	93,967
Operating Expenses	(74,844)	(71,921)	(74,844)	(71,921)
Other Operating Income	247	1,906	247	1,906
Profit from Operations	15,880	23,952	15,880	23,952
Finance cost	(82)	(73)	(82)	(73)
Investing Results	1,073	381	1,073	381
Shares of profit of associate	1,116	748	1,116	748
Profit before tax	17,987	25,008	17,987	25,008
Taxation	(3,952)	(5,157)	(3,952)	(5,157)
Profit for the period	14,035	19,851	14,035	19,851
Other comprehensive income/(expense), net of tax				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operations	(1,327)	6,865	(1,327)	6,865
Fair value of available-for-sale financial assets	748	-	748	-
	(579)	6,865	(579)	6,865
Items that will not be reclassified subsequently to profit or loss				
Share of other comprehensive income of equity-accounted associates	302	682	302	682
Other Comprehensive income/(expense) for the period, net of tax	(277)	7,547	(277)	7,547
Total comprehensive income/(loss) for the period	13,758	27,398	13,758	27,398

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 THREE MONTHS PERIOD ENDED 30 JUNE 2016

	Individual Quarter		Cumulative Quarter	
	Current	Preceding year	Current	Preceding year
	Quarter	Corresponding	Year to	Corresponding
	30/06/2016	30/06/2015	Date	Period
	RM'000	RM'000	RM'000	RM'000
Profit attributable to:				
Equity holders of the Company	13,989	19,769	13,989	19,769
Non-controlling interests	46	82	46	82
Profit for the period	<u>14,035</u>	<u>19,851</u>	<u>14,035</u>	<u>19,851</u>
Total comprehensive income / (loss) attributable to:				
Equity holders of the Company	13,736	27,284	13,736	27,284
Non-controlling interests	22	114	22	114
Total comprehensive income / (loss) for the period	<u>13,758</u>	<u>27,398</u>	<u>13,758</u>	<u>27,398</u>
Earnings per share attributable to equity holders of the Company:				
i) Basic earnings per ordinary share (sen)				
Note B13	7.29	10.38	7.29	10.38
ii) Fully diluted earnings per ordinary share (sen) Note B13	7.23	10.27	7.23	10.27

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 JUNE 2016

	← Attributable to owners of the Company →						Distributable Retained Earnings RM'000	Total RM'000 31/03/2016	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 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
Year ended 30 June 2015										
At 1 April 2015,	189,990	-	352	2,744	1,015	-	268,214	462,315	73	462,388
Profit for the period	-	-	-	-	-	-	19,769	19,769	82	19,851
Other comprehensive income/(loss) for the period	-	-	-	-	7,403	-	112	7,515	32	7,547
Total comprehensive income/(loss) for the period	-	-	-	-	7,403	-	19,881	27,284	114	27,398
Transfer to share premium for share options exercised	-	-	267	(267)	-	-	-	-	-	-
Transfer from share option reserve for option lapsed	-	-	-	(87)	-	-	87	-	-	-
Share-based payments under ESOS	-	-	-	97	-	-	-	97	-	97
Issue of shares pursuant to ESOS	604	-	590	-	-	-	-	1,194	-	1,194
At 31 March 2016	190,594	-	1,209	2,487	8,418	-	288,182	490,890	187	491,077

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 THREE MONTHS PERIOD ENDED 30 JUNE 2016

	30-Jun-16	30-Jun-15
	RM'000	RM'000
Profit before tax	17,987	25,008
Adjustment for:		
Non-cash items	3,098	3,496
Non-operating items	(518)	(331)
Operating profit before changes in working capital	20,567	28,173
Changes in working capital		
Net Change in current assets	10,363	(4,862)
Net Change in current liabilities	(17,873)	(9,758)
Net cash flows from operating activities	13,057	13,553
Investing activities		
Other investments	(9,632)	(444)
	(9,632)	(444)
Financing activities		
Dividend paid	(13,392)	(11,436)
Proceed from issue of shares	1,307	1,194
Bank borrowings, net	2,911	(4,345)
Interest paid	(82)	(65)
	(9,256)	(14,652)
Net Change in Cash & Cash Equivalents	(5,831)	(1,543)
Cash & Cash Equivalents at beginning of year	75,577	116,129
Effects of exchange rates on Cash & Cash Equivalents	(219)	1,554
Cash & Cash Equivalent at end of year	69,527	116,140

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	69,527	116,140
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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)
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 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 31 MARCH 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

664,720 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 2016, 117,880 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 during the financial quarter. Accordingly, a total of 300 shares was retained as treasury shares as at 30 June 2016.

There was no shares purchased and retained as treasury shares subsequent to the financial quarter ended 30 June 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 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 June 2016 for the Company are corporate guarantees for banking facilities granted to subsidiaries of RM 133.93 million (31 March 2016: RM 133.22 million). There was also a corporate guarantee of RM 10.8 million provided to a supplier of a subsidiary in UK.



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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2016

A13 Lease commitments

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

	30-Jun-2016
	RM'000
Less than one year	1,424
One to five years	3,916

A14 Intangible assets

	30-Jun-2016	31-Mar-2016
	RM'000	RM'000
Goodwill	30,235	30,235
Other intangible assets with finite life *	1,453	1,525
	31,688	31,760

* 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-2016	31-Mar-2016
Shareholders' Fund (RM'000)	536,655	521,592
Share Capital (000)	191,983	191,318
	191,983	191,318
Net assets per share (sen)	279.53	272.63

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

B1 Review of performance

During the quarter under review, the Group posted a total sales revenue of RM 90.5 million, compared with RM 94.0 million recorded in the previous corresponding period. The drop in sales was due to a softer demand in domestic market as well as in certain overseas markets

Despite the challenging business environment, the Group is able to achieve a healthy pre tax margin of 19.9%. Profit before tax was at RM 18 million as compared to RM 25 million achieved in June 2015. The decline in earnings on the quarter to quarter basis is mainly due to less favorable exchange rate movement and a lower operating income. Total foreign exchange gain and other operating income recorded for the quarter under review was RM 1.1 million as compared to RM 6.3 million posted in the previous corresponding quarter.

B2 Comparison of profit before taxation with preceding quarter

During the quarter, a total profit before tax of RM 18 million was achieved as compared to RM 22 million posted in the preceding quarter.

The lower earnings was mainly attributable to the decline in sales from RM 97.3 million in the preceding quarter to RM 90.5 million in the current quarter and also a lower profit share of associate (Current quarter: RM 1.1 million; Preceding quarter: RM 2.2 million).

B3 Current year prospects

The Group remained positively cautious on its performance for the remaining quarters. Although it will be a challenging environment for the remaining period, the Group is confident that its operating performance will remain profitable.

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 31 MARCH 2016

B5 Tax expense

	Year ended 30-Jun	
	2016 RM'000	2015 RM'000
Current year tax expense		
- Based on results for the year	4,048	4,355
- (Over)/under provision in respect of prior year	(1)	28
	4,047	4,383
Withholding tax	4	6
Deferred tax expense		
- Current year	(99)	768
	<u>3,952</u>	<u>5,157</u>

B6 Disclosure of Realised and Unrealised Profit/ Losses

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

	As at 30-Jun-2016 RM'000	As at 31-Mar-2016 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	278,111	266,946
- Unrealised	(8,698)	(10,236)
	<u>269,413</u>	<u>256,710</u>
Total share of retained profits from associates:		
- Realised	38,705	37,779
- Unrealised	1,653	1,463
	<u>40,358</u>	<u>39,242</u>
Add: Consolidation adjustment	18,916	18,642
Total Group retained profits as per consolidated accounts	<u>328,687</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 30-Jun-2016 RM'000
a) Bank borrowing - Current Foreign currency loan	<u>31,341</u>

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 30 June 2016 are as follows :-

	Contract or Notional Amount RM'000	Fair Value Net Gain RM'000
Forward currency contracts		
- Less than 1 year	16,670	2,410



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

B11 Other Investments

	As at 30-Jun-16 RM'000	As at 31-Mar-16 RM'000
Available-for-sale financial assets:		
Short term funds	45,031	84,613
Fair value through profit or loss:		
Investment in dual currency structured products	27,494	3,584
Equity-Linked Investment	25,000	-
	52,494	3,584

B12 Changes in material litigation

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

B13 Approved Dividends

At the Annual General Meeting held on 27 August 2016, the shareholders of Asia File Corporation Bhd had approved a final single tier dividend of 9% (2015: 9%) in respect of the financial year ended 31 March 2016. The dividend will be paid on 29 September 2016.

B14 Earnings per share

	Current Quarter ended 30-Jun-2016	Current Year to Date 30-Jun-2016
Basic earnings per share		
Profit attributable to equity holders of the Company	13,989	13,989
Weighted average number of ordinary shares ('000)	191,763	191,763
Basic earnings per share (sen)	7.29	7.29
	Current Quarter ended 30-Jun-16	Current Year to Date 30-Jun-16
Diluted earnings per share		
Profit attributable to equity holders of the Company	13,989	13,989
Weighted average number of ordinary shares ('000)	191,763	191,763
Adjustment for share options ('000)	1,666	1,666
Weighted average number of ordinary shares for diluted earnings per share ('000)	193,429	193,429
Diluted earnings per share (sen)	7.23	7.23

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.



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

	Fair value hierarchy			Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
30 June 2016				
Financial assets				
Available-for-sale financial assets	-	45,031	-	45,031
Forward exchange contracts	-	2,410	-	2,410
Financial assets at fair value through profit or loss	-	52,494	-	52,494
	-	99,935	-	99,935

	Fair value hierarchy			Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
31 March 2016				
Financial assets				
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-Jun-16 RM'000	Cumulative Year To Date 30-Jun-16 RM'000
a) interest income	571	571
b) other income including investment income	749	749
c) interest expense	(82)	(82)
d) depreciation and amortisation	(2,396)	(2,396)
e) provision for and write off of receivables	(14)	(14)
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	849	849
j) gain or (loss) on derivatives	(1,798)	(1,798)
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 on 27 August 2016.

By Order of The Board

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