

Subject: GENERAL ANNOUNCEMENT

ASIA FILE CORPORATION BHD
- ACQUISITION OF BUSINESS AND ASSETS

Contents: The Board of Directors of ASIA FILE CORPORATION BERHAD ("AFC" or "the Company") wishes to announce the following:-

1(A) ACQUISITION OF BUSINESS AND ASSETS

On 14 September 2011, its wholly-owned subsidiary, Trissi Brissi Limited ("Trissi") (Company No. 07735719) has entered into an agreement to acquire the business of manufacturing coloured manilla paper, sugar papers and soap stiffener which is carried on at Higher Kings Mill, Cullompton, Devon, the United Kingdom and at Silverton Mill, Killerton, Devon, the United Kingdom ("**Business**") **AND** the assets which are utilized in connection with the Business ("**Assets**") from DS Smith Paper Limited ("Vendor")(Company No. 58614).

The Assets comprise of freehold land and buildings located at Lower Kings Mill and Higher Kings Mill, Cullompton Devon, United Kingdom ("Property"), plant, machinery, equipments, stocks, cash ,prepayments and accruals .

The total land area for the Property is approximately 566,280 square feet on which facilities for manufacturing, warehousing and office totaling about 89,318 square feet were erected.

1(B). TOTAL CONSIDERATION

The total consideration for the purchase of the Business and Assets would be as follows:-

- (i) GBP 4,611,889 being the amount calculated based on the management accounts of the Business as at 30 April 2011, plus ;
- (ii) Positive or negative adjustment subsequent to the valuation of stocks, prepayments, accruals and cash as at completion date which will be 30 September 2011 ("Completion")

The above purchase consideration will be paid in the following manner:-

- (i) GBP 4,611,889 to be paid to the Vendor on Completion;
- (ii) The balance of payment would be paid after the values of the stocks, prepayments, accruals and cash as at Completion are determined. This is expected to take place no later than November 2011

The purchase consideration for the Business and Assets is to be satisfied by cash from internally generated funds.

2. EFFECT OF THE BUSINESS AND ASSETS ACQUISITION ("ACQUISITIONS")

The Acquisition will not have any material effect on the earnings per share, net assets per share, gearing, share capital and substantial shareholders' shareholding of AFC.

The rationales for the Acquisitions are to complement the current business of AFC and enhance the future earnings of AFC.

The Directors and/or major shareholders and/or persons connected with a Director or major shareholder of AFC have no interest, direct or indirect, in the Acquisition.

3. ESTIMATED TIME FRAME FOR THE COMPLETION OF THE ACQUISITIONS

Barring any unforeseen circumstances, the Acquisitions are expected to be completed on 30 September 2011 or such other extended period as may be mutually agreed upon by Trissi and the Vendor, as the case may be.

4. STATEMENT BY THE BOARD OF DIRECTORS

The Board of directors are of the opinion that the Acquisitions are in the best interest of AFC because the Business will complement the current business of AFC and enhance the future earnings of AFC.

5. HIGHEST PERCENTAGE RATIO

The highest percentage ratio applicable to the Acquisitions under Paragraph 10.02(g) of the Main Market Listing Requirements of Bursa Securities is 6.5% based on the latest audited consolidated financial statements of AFC for the financial year ended 31 March 2011 and also the management accounts of the Business as at 30 April 2011.

6. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Agreement entered into is available for inspection during normal business hours at the Registered Office of AFC at Suite 2-1, 2nd Floor, Menara Penang Garden, No. 42A Jalan Sultan Ahmad Shah, 10050 Penang, from Mondays to Fridays (except public holidays) for a period of three (3) months from the date of this announcement.

This announcement is dated 19 September 2011.