Asia File Corporation Bhd.

(Company No. 313192 P)
(Incorporated in Malaysia)

and its subsidiaries

Financial statements for the year ended 31 March 2013

Asia File Corporation Bhd.
(Company No. 313192 P)
(Incorporated in Malaysia)
and its subsidiaries

Directors' report for the year ended 31 March 2013

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2013.

Principal activities

The principal activities of the Company are that of investment holding, commission agent and provision of management services. The principal activities of the subsidiaries are as stated in Note 6 to the financial statements.

There has been no significant change in the nature of these activities during the financial year.

Results

	Group RM	Company RM
Profit for the year attributable to:		
Owners of the Company	42,891,330	25,758,013
Non-controlling interests	349,075	-
	43,240,405	25,758,013

Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial year except as disclosed in the financial statements.

Dividends

Since the end of the previous financial year, the Company paid :

i) an interim single-tier dividend of 8% on 115,626,130 ordinary shares of RM1 each totalling RM9,250,090 in respect of the financial year ended 31 March 2012 on 29 May 2012;

Dividends (continued)

ii) a final single-tier dividend of 13.5% on 115,802,730 ordinary shares of RM1 each totalling RM15,633,369 in respect of the financial year ended 31 March 2012 on 27 December 2012; and

iii) an interim single-tier dividend of 8% on 115,847,030 ordinary shares of RM1 each totalling RM9,267,762 in respect of the financial year ended 31 March 2013 on 28 May 2013.

A final single-tier dividend of 12.5% has been recommended by the Directors in respect of the financial year ended 31 March 2013, subject to the approval of the members at the forthcoming Annual General Meeting.

Directors of the Company

Directors who served since the date of the last report are :

Lim Soon Huat
Lim Soon Wah
Nurjannah Binti Ali
Ng Chin Nam
Lam Voon Kean
Lim Soon Hee (Alternative to Mr. Ng Chin Nam)

Directors' interests in shares

The interests and deemed interests in the shares and options of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at year end (including the interests of the spouse and/or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows :

	Number of ordinary shares of RM1 each				
	Balance at 1.4.2012	**Bought**	**ESOS exercised**	**(Sold)**	**Balance at 31.3.2013**
Interest in the Company :					
Lim Soon Huat					
- own	889,391	39,800	-	-	929,191
- others *	2,624,600	-	12,000	-	2,636,600
Lim Soon Wah					
- own	2,489,825	-	-	-	2,489,825
- others *	152,320	-	-	-	152,320

Directors' interests in shares (continued)

	Number of ordinary shares of RM1 each				
	Balance at 1.4.2012	Bought	ESOS exercised	(Sold)	Balance at 31.3.2013
Deemed interest in the Company :					
Lim Soon Huat					
- own	52,336,837	-	-	-	52,336,837

* These are shares held in the name of the spouse and/or children and are treated as interests of the Director in accordance with Section 134(12)(c) of the Companies Act, 1965.

	Number of options over ordinary shares of RM1 each			
	Balance at 1.4.2012	Granted	(Exercised)	Balance at 31.3.2013
Interest in the Company				
Lim Soon Huat				
- own	825,000	-	-	825,000
Lim Soon Wah				
- own	609,000	-	-	609,000
Nurjannah Binti Ali				
- own	40,000	-	-	40,000

By virtue of his interests in the Company, Mr. Lim Soon Huat is also deemed to have interest in the shares of the subsidiaries to the extent the Company has an interest.

None of the other Directors holding office at 31 March 2013 had any interest in the ordinary shares and options over the shares of the Company and of its related corporations during the financial year.

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements of the Company and its related corporations) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than certain Directors who may be deemed to derive a benefit from those transactions entered into in the ordinary course of business between certain companies in the Group and companies in which a Director and his close family members have substantial financial interests as disclosed in Note 26 to the financial statements.

Directors' benefits (continued)

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate other than those arising from the share options granted under the Employees' Share Option Scheme ("ESOS") of the Company.

Issue of shares and debentures

During the financial year, the issued and paid-up share capital of the Company was increased from RM116,025,730 to RM116,246,830 through the issuance of 221,100 new ordinary shares of RM1.00 each for cash from the exercise of ESOS as follows :

	Exercise price RM	**Number of ordinary shares of RM1.00 each issued**
Exercise of options under ESOS	3.14	166,600
Exercise of options under ESOS	3.10	54,500

There were no other changes in the authorised, issued and paid-up capital of the Company and no debentures were issued by the Company during the financial year.

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year apart from the issue of options pursuant to the ESOS.

Employees' share option scheme

The Company's Employees' Share Option Scheme ("the Scheme") was approved by the shareholders at an Extraordinary General Meeting ("EGM") held on 20 April 2007.

The main features of the Scheme are as follows :

i) The total number of shares to be offered under the Scheme shall not exceed 15% of the issued and paid-up share capital of the Company or such maximum percentage as allowable by the relevant authorities at any point in time during the existence of the Scheme. In the event the maximum number of shares offered exceeds 15% of the issued and paid-up share capital or such maximum percentage as allowable by the relevant authorities as a result of the Company purchasing its own shares and thereby diminishing its issued and paid-up share capital, then the options granted prior to the adjustment of the issued and paid-up share capital of the Company shall remain valid and exercisable but there shall not be any further offer;

Employees' share option scheme (continued)

The main features of the Scheme are as follows (continued) :

ii) The Scheme shall be in force for a period of five years commencing from 23 April 2007 being the last date on which the Company obtained all relevant approvals required for the Scheme. The Scheme, which had expired on 22 April 2012, has been extended for another five years until 21 April 2017;

iii) The option is personal to the grantee and is not assignable, transferable, disposable or changeable except for certain conditions provided for in the By-Laws;

iv) Eligible persons are employees and Executive Directors, who are involved in the day-to-day management and on the payroll of the Group who have been confirmed in the employment of the Group and have been in the employment of the Group for a continuous period of at least six (6) months immediately preceding the date of offer, the date when an offer is made in writing to an employee to participate in the Scheme;

v) No options shall be granted for less than one hundred (100) shares nor :

(a) not more than fifty percent (50%) of the total number of shares to be issued under the Scheme shall be allotted in aggregate to Directors and Senior Management of the Group; and

(b) not more than ten percent (10%) of the total number of shares to be issued under the Scheme shall be allotted to any Eligible Director or Employee of the Group who either singly or collectively through persons connected with the Director or Employee, holds twenty percent (20%) or more of the issued and paid-up ordinary share capital of the Company.

The maximum allowable allotment does not include additional shares which arisen pursuant to event stipulated in (viii).

vi) The exercise price for each ordinary share shall be set at a discount of not more than 10%, if deemed appropriate, or such lower or higher limit as approved by the relevant authorities, from the weighted average of the market price of the shares as shown in the Daily Official List issued by the Bursa Malaysia Securities Berhad for the five (5) market days preceding the date of offer or at par value of the shares, whichever is higher;

vii) The options granted do not confer any dividend or other distribution declared to the shareholders as at a date which precedes the date of exercise of the option and will be subject to all the provisions of the Articles of Association of the Company; and

viii) In the event of any alteration in the capital structure of the Company during the option period, whether by way of capitalisation of profits or reserves, rights issues, reduction of capital, subdivision, consolidation of shares or otherwise (excluding the purchase by the Company of its own shares) howsoever taking places, such corresponding alterations (if any) shall be made in the number of shares relating to the unexercised options and option price.

Employees' share option scheme (continued)

The options offered to take up unissued ordinary shares of RM1 each and the exercise price are as follows :

		Number of options over ordinary shares of RM1 each				
Date of offer	**Exercise price**	**Balance at 1.4.2012**	**Granted**	**Exercised**	**Lapsed due to resignation**	**Balance at 31.3.2013**
27.4.2007	3.14	1,742,970	-	(166,600)	(18,800)	1,557,570
20.4.2009	4.11	787,000	-	-	-	787,000
3.10.2011	3.10	3,628,600	-	(54,500)	(115,000)	3,459,100

Other statutory information

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that :

i) all known bad debts have been written off and adequate provision made for doubtful debts, and

ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances :

i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts, in the Group and in the Company inadequate to any substantial extent, or

ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or

iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or

iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist :

i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or

ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

Other statutory information (continued)

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 March 2013 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Auditors

The auditors, Messrs KPMG, have indicated their willingness to accept re-appointment.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors :

…………………………………..
Lim Soon Huat

…………………………………..
Lim Soon Wah

Penang,

Date : 31 July 2013

Asia File Corporation Bhd.
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Consolidated statement of financial position as at 31 March 2013

	Note	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Assets				
Property, plant and equipment	3	101,984,833	89,188,693	90,153,204
Prepaid lease payments	4	1,639,577	1,678,454	1,717,329
Investment properties	5	1,858,570	1,909,168	1,959,766
Investment in an associate	7	117,982,444	116,310,238	108,320,358
Goodwill on consolidation	8	30,234,456	30,234,456	30,234,456
Total non-current assets		253,699,880	239,321,009	232,385,113
Trade and other receivables	9	61,502,364	63,691,674	47,296,313
Inventories	10	101,154,347	94,813,785	71,196,768
Current tax assets		10,030	12,101	32,894
Cash and cash equivalents	11	42,348,270	57,142,508	80,862,647
Total current assets		205,015,011	215,660,068	199,388,622
Total assets		458,714,891	454,981,077	431,773,735

Consolidated statement of financial position as at 31 March 2013 (continued)

	Note	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Equity				
Share capital	12	116,246,830	116,025,730	115,506,930
Treasury shares	13	(1,843,820)	(1,843,042)	(1,504,391)
Reserves	14	270,644,502	254,775,588	229,763,839
Total equity attributable to owners of the Company		385,047,512	368,958,276	343,766,378
Non-controlling interests		90,461	-	-
Total equity		385,137,973	368,958,276	343,766,378
Liabilities				
Deferred tax liabilities	15	7,383,287	7,304,063	7,829,494
Bank borrowings	17	-	2,258,401	6,807,097
Total non-current liabilities		7,383,287	9,562,464	14,636,591
Trade and other payables	16	34,636,672	43,444,930	36,024,512
Bank borrowings	17	18,067,262	21,017,600	25,278,507
Current tax payables		4,221,935	2,747,717	1,571,204
Dividend payable		9,267,762	9,250,090	10,496,543
Total current liabilities		66,193,631	76,460,337	73,370,766
Total liabilities		73,576,918	86,022,801	88,007,357
Total equity and liabilities		458,714,891	454,981,077	431,773,735

Asia File Corporation Bhd.
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Consolidated statement of comprehensive income for the year ended 31 March 2013

	Note	2013 RM	2012 RM
Revenue	19	323,384,372	276,322,752
Cost of sales		(198,788,839)	(168,848,296)
Gross profit		124,595,533	107,474,456
Distribution costs		(14,295,233)	(11,333,878)
Administrative expenses		(55,862,810)	(48,941,397)
Other operating expenses		(3,910,154)	(1,935,837)
Other operating income		2,171,570	3,680,661
		(71,896,627)	(58,530,451)
Results from operating activities		52,698,906	48,944,005
Share of profits after tax of equity accounted associates		3,834,000	8,981,320
Finance costs		(406,901)	(720,635)
Profit before tax	20	56,126,005	57,204,690
Income tax expense	23	(12,885,600)	(8,481,592)
Profit for the year		43,240,405	48,723,098

Consolidated statement of comprehensive income for the year ended 31 March 2013 (Continued)

	Note	2013 RM	2012 RM
Other comprehensive (expense)/income, net of tax			
Foreign exchange translation differences from foreign operations		(2,606,494)	(2,608,503)
Share of other comprehensive income of equity accounted associates		(973,218)	237,744
Total other comprehensive expense for the year		(3,579,712)	(2,370,759)
Total comprehensive income for the year		39,660,693	46,352,339
Profit attributable to:			
Owners of the Company		42,891,330	48,723,098
Non-controlling interests		349,075	-
Profit for the year		43,240,405	48,723,098
Total comprehensive income attributable to :			
Owners of the Company		39,570,232	46,352,339
Non-controlling interests		90,461	-
Total comprehensive income for the year		39,660,693	46,352,339
Basic earnings per ordinary share (sen)	24	37.05	42.18
Diluted earnings per ordinary share (sen)	24	36.86	41.84

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Consolidated statement of changes in equity for the year ended 31 March 2013

	Attributable to owners of the Company						
		Non-distributable				Distributable	
	Share capital RM	Treasury shares RM	Share premium RM	Share option reserve RM	Translation reserve RM	Retained earnings RM	Total equity RM
At 1 April 2011	115,506,930	(1,504,391)	16,245,612	1,431,259	-	212,086,968	343,766,378
Foreign exchange translation differences from foreign operations	-	-	-	-	(2,608,503)	-	(2,608,503)
Share of other comprehensive income of equity accounted associate	-	-	-	-	237,744	-	237,744
Total other comprehensive expense for the year	-	-	-	-	(2,370,759)	-	(2,370,759)
Profit for the year	-	-	-	-	-	48,723,098	48,723,098
Total comprehensive (expense)/income for the year	-	-	-	-	(2,370,759)	48,723,098	46,352,339
Treasury shares acquired	-	(338,651)	-	-	-	-	(338,651)
Share-based payments (Note 18)	-	-	-	1,217,185	-	-	1,217,185
Issue of shares pursuant to ESOS	518,800	-	1,111,796	-	-	-	1,630,596
Dividends (Note 25)	-	-	-	-	-	(23,696,656)	(23,696,656)
Total contribution from/(distribution to) owners	518,800	(338,651)	1,111,796	1,217,185	-	(23,696,656)	(21,187,526)
Post-acquisition reserves - associate	-	-	89,480	(62,395)	-	-	27,085
Transfer to share premium for share options exercised	-	-	231,629	(231,629)	-	-	-
Transfer from share option reserve for options lapsed	-	-	-	(33,609)	-	33,609	-
At 31 March 2012	116,025,730	(1,843,042)	17,678,517	2,320,811	(2,370,759)	237,147,019	368,958,276

Consolidated statement of changes in equity for the year ended 31 March 2013 (continued)

	Attributable to owners of the Company								
		Non-distributable				Distributable			
	Share capital RM	Treasury shares RM	Share premium RM	Share option reserve RM	Translation reserve RM	Retained earnings RM	Total RM	Non-controlling interests RM	Total equity RM
At 1 April 2012	116,025,730	(1,843,042)	17,678,517	2,320,811	(2,370,759)	237,147,019	368,958,276	-	368,958,276
Foreign exchange translation differences from foreign operations	-	-	-	-	(2,347,880)	-	(2,347,880)	(258,614)	(2,606,494)
Share of other comprehensive income of equity accounted associate	-	-	-	-	61,171	(1,034,389)	(973,218)	-	(973,218)
Total other comprehensive income for the year	-	-	-	-	(2,286,709)	(1,034,389)	(3,321,098)	(258,614)	(3,579,712)
Profit for the year	-	-	-	-	-	42,891,330	42,891,330	349,075	43,240,405
Total comprehensive income for the year	-	-	-	-	(2,286,709)	41,856,941	39,570,232	90,461	39,660,693
Treasury shares acquired	-	(778)	-	-	-	-	(778)	-	(778)
Share-based payments (Note 18)	-	-	-	720,014	-	-	720,014	-	720,014
Issue of shares pursuant to ESOS	221,100	-	470,974	-	-	-	692,074	-	692,074
Dividends (Note 25)	-	-	-	-	-	(24,901,131)	(24,901,131)	-	(24,901,131)
Total contribution from/(distribution to) owners	221,100	(778)	470,974	720,014	-	(24,901,131)	(23,489,821)	-	(23,489,821)
Post-acquisition reserves - associate	-	-	66,987	(58,162)	-	-	8,825	-	8,825
Transfer to share premium for share options exercised	-	-	115,755	(115,755)	-	-	-	-	-
Transfer from share option reserve for options lapsed	-	-	-	(23,373)	-	23,373	-	-	-
At 31 March 2013	116,246,830	(1,843,820)	18,332,233	2,843,535	(4,657,468)	254,126,202	385,047,512	90,461	385,137,973

The notes on pages 24 to 96 are an integral part of these financial statements.

Asia File Corporation Bhd.
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Consolidated statement of cash flows for the year ended 31 March 2013

	Note	2013 RM	2012 RM
Cash flows from operating activities			
Profit before tax		56,126,005	57,204,690
Adjustments for :			
Depreciation			
- Property, plant and equipment	3	10,852,626	9,305,898
- Investment properties	5	50,598	50,598
Amortisation of prepaid lease payments	4	38,877	38,875
Gain on disposal of plant and equipment		(10,316)	(141,579)
Interest expense		406,901	720,635
Interest income		(497,464)	(850,612)
Share of profit after tax of equity accounted associates		(3,834,000)	(8,981,320)
Share-based payments	18	720,014	1,217,185
Operating profit before changes in working capital		63,853,241	58,564,370
Changes in working capital :			
Inventories		(8,248,457)	(16,919,377)
Trade and other receivables		596,974	(24,642,791)
Trade and other payables		(6,083,435)	8,126,747
Cash generated from operations		50,118,323	25,128,949
Taxes paid		(11,282,216)	(7,789,317)
Net cash from operating activities		38,836,107	17,339,632

Consolidated statement of cash flows for the year ended 31 March 2013 (continued)

	Note	2013 RM	2012 RM
Cash flows from investing activities			
Purchase of plant and equipment	3	(24,592,168)	(9,580,736)
Proceeds from disposal of plant and equipment		86,787	228,413
Acquisition of investment in an associate		(320,997)	(250,771)
Dividend received from associate		1,518,400	1,507,040
Interest received		497,464	850,612
Net cash used in investing activities		(22,810,514)	(7,245,442)
Cash flows from financing activities			
Repayment of short term borrowings, net		(724,568)	(108,113)
Repayments of term loans		(4,328,153)	(8,360,000)
Repayments of finance lease liabilities		(116,051)	(195,466)
Proceeds from shares issued under ESOS		692,074	1,630,596
Repurchase of treasury shares	13	(778)	(338,651)
Dividends paid		(24,883,459)	(24,943,109)
Interest paid		(406,901)	(720,635)
Net cash used in financing activities		(29,767,836)	(33,035,378)
Net decrease in cash and cash equivalents		(13,742,243)	(22,941,188)
Cash and cash equivalents at 1 April		57,046,808	80,762,652
Effect of exchange rate fluctuations on cash and cash equivalents		(1,055,792)	(774,656)
Cash and cash equivalents at 31 March		42,248,773	57,046,808

Consolidated statement of cash flows for the year ended 31 March 2013 (continued)

NOTE

Cash and cash equivalents

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following consolidated statement of financial position amounts :

	Note	**2013 RM**	**2012 RM**
Short term deposits with licensed banks	11	21,542,872	20,051,948
Cash and bank balances	11	20,805,398	37,090,560
Bank overdrafts	17	(99,497)	(95,700)
		42,248,773	57,046,808

Asia File Corporation Bhd.

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Statement of financial position as at 31 March 2013

	Note	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Assets				
Investments in subsidiaries	6	48,760,941	48,515,895	23,252,709
Investment in an associate	7	5,073,921	4,752,924	4,502,153
Total non-current assets		53,834,862	53,268,819	27,754,862
Trade and other receivables	9	137,847,300	128,537,498	146,249,350
Current tax assets		5,072	7,143	27,936
Cash and cash equivalents	11	161,755	3,799,391	4,577,630
Total current assets		138,014,127	132,344,032	150,854,916
Total assets		191,848,989	185,612,851	178,609,778
Equity				
Share capital	12	116,246,830	116,025,730	115,506,930
Treasury shares	13	(1,843,820)	(1,843,042)	(1,504,391)
Reserves	14	41,823,290	39,775,420	32,707,950
Total equity		156,226,300	153,958,108	146,710,489
Liabilities				
Trade and other payables	16	26,354,927	22,404,653	21,402,746
Dividend payable		9,267,762	9,250,090	10,496,543
Total current liabilities		35,622,689	31,654,743	31,899,289
Total equity and liabilities		191,848,989	185,612,851	178,609,778

The notes on pages 24 to 96 are an integral part of these financial statements.

Asia File Corporation Bhd.
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Statement of comprehensive income for the year ended 31 March 2013

	Note	2013 RM	2012 RM
Revenue	19	28,173,027	31,277,405
Administrative expenses		(2,622,111)	(2,791,372)
Other operating expenses		(294,393)	(62,945)
Other operating income		586,280	45,270
Results from operating activities		25,842,803	28,468,358
Finance costs		(18)	-
Profit before tax	20	25,842,785	28,468,358
Income tax expense	23	(84,772)	(33,213)
Profit for the year representing total comprehensive income for the year		25,758,013	28,435,145

The notes on pages 24 to 96 are an integral part of these financial statements.

Asia File Corporation Bhd.

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Statement of changes in equity for the year ended 31 March 2013

	← Non-distributable			→	Distributable	
	Share capital RM	**Treasury shares RM**	**Share premium RM**	**Share option reserve RM**	**Retained earnings RM**	**Total equity RM**
At 1 April 2011	115,506,930	(1,504,391)	16,086,546	1,308,800	15,312,604	146,710,489
Profit and total comprehensive income for the year	-	-	-	-	28,435,145	28,435,145
Treasury shares acquired	-	(338,651)	-	-	-	(338,651)
Share-based payments (Note 18)	-	-	-	1,217,185	-	1,217,185
Shares issued pursuant to ESOS	518,800	-	1,111,796	-	-	1,630,596
Dividends (Note 25)	-	-	-	-	(23,696,656)	(23,696,656)
Total contribution from/(distribution to) owners	518,800	(338,651)	1,111,796	1,217,185	(23,696,656)	(21,187,526)
Transfer to share premium for share options exercised	-	-	231,629	(231,629)	-	-
Transfer from share option reserve for options lapsed	-	-	-	(33,609)	33,609	-
At 31 March 2012	116,025,730	(1,843,042)	17,429,971	2,260,747	20,084,702	153,958,108

Statement of changes in equity for the year ended 31 March 2013 (continued)

	← Non-distributable			→	Distributable	
	Share capital RM	**Treasury shares RM**	**Share premium RM**	**Share option reserve RM**	**Retained earnings RM**	**Total equity RM**
At 1 April 2012	116,025,730	(1,843,042)	17,429,971	2,260,747	20,084,702	153,958,108
Profit and total comprehensive income for the year	-	-	-	-	25,758,013	25,758,013
Treasury shares acquired	-	(778)	-	-	-	(778)
Share-based payments (Note 18)	-	-	-	720,014	-	720,014
Shares issued pursuant to ESOS	221,100	-	470,974	-	-	692,074
Dividends (Note 25)	-	-	-	-	(24,901,131)	(24,901,131)
Total contribution from/(distribution to) owners	221,100	(778)	470,974	720,014	(24,901,131)	(23,489,821)
Transfer to share premium for share options exercised	-	-	115,755	(115,755)	-	-
Transfer from share option reserve for options lapsed	-	-	-	(23,373)	23,373	-
At 31 March 2013	116,246,830	(1,843,820)	18,016,700	2,841,633	20,964,957	156,226,300

The notes on pages 24 to 96 are an integral part of these financial statements.

Asia File Corporation Bhd.
(Company No. 313192 P)
(Incorporated in Malaysia)

Statement of cash flows for the year ended 31 March 2013

	Note	2013 RM	2012 RM
Cash flows from operating activities			
Profit before tax		25,842,785	28,468,358
Adjustments for :			
Dividend income		(25,896,753)	(29,136,388)
Interest income		(550,895)	(40,956)
Share-based payments	18	474,968	753,999
Operating (loss)/profit before changes in working capital		(129,895)	45,013
Changes in working capital :			
Other receivables		(9,309,802)	17,711,852
Other payables		3,950,274	1,001,907
Cash (used in)/generated from operations		(5,489,423)	18,758,772
Income tax paid		(82,701)	(12,420)
Dividend received		25,896,753	29,136,388
Net cash from operating activities		20,324,629	47,882,740
Cash flows from investing activities			
Interest received		550,895	40,956
Acquisition of investments in subsidiaries		-	(24,800,000)
Acquisition of investment in an associate		(320,997)	(250,771)
Net cash from/(used in) investing activities		229,898	(25,009,815)

Statement of cash flows for the year ended 31 March 2013 (continued)

	Note	2013 RM	2012 RM
Cash flows from financing activities			
Proceeds from shares issued under ESOS		692,074	1,630,596
Repurchase of treasury shares	13	(778)	(338,651)
Dividends paid		(24,883,459)	(24,943,109)
Net cash used in financing activities		(24,192,163)	(23,651,164)
Net decrease in cash and cash equivalents		(3,637,636)	(778,239)
Cash and cash equivalents at 1 April		3,799,391	4,577,630
Cash and cash equivalents at 31 March	11	161,755	3,799,391

The notes on pages 24 to 96 are an integral part of these financial statements.

Asia File Corporation Bhd.
(Company No. 313192 P)
(Incorporated in Malaysia)
and its subsidiaries

Notes to the financial statements

Asia File Corporation Bhd. is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of its registered office and principal place of business are as follows :

Registered office

Suite 2-1, 2nd Floor,
Menara Penang Garden
42A, Jalan Sultan Ahmad Shah
10050 Penang

Principal place of business

Plot 16, Kawasan Perindustrian Bayan Lepas
Phase IV
Mukim 12, Bayan Lepas,
11900 Penang

The consolidated financial statements of the Company as at and for the financial year ended 31 March 2013 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities") and the Group's interest in associate.

The Company is principally engaged as an investment holding company, commission agent and provision of management services. The principal activities of its subsidiaries are disclosed in Note 6 to the financial statements.

These financial statements were authorised for issue by the Board of Directors on 31 July 2013.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the Companies Act, 1965 in Malaysia. These are the Group's and the Company's first financial statements prepared in accordance with MFRS and MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards* has been applied.

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

In the previous years, the financial statements of the Group and of the Company were prepared in accordance with Financial Reporting Standards ("FRS"). The financial impacts of transition to MFRS are disclosed in Note 33 to the financial statements.

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (MASB) but have not been adopted by the Group and the Company :

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2012

- Amendments to MFRS 101, *Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2013

- MFRS 10, *Consolidated Financial Statements*
- MFRS 11, *Joint Arrangements**
- MFRS 12, *Disclosure of Interests in Other Entities*
- MFRS 13, *Fair Value Measurement*
- MFRS 119, *Employee Benefits* (2011)
- MFRS 127, *Separate Financial Statements* (2011)
- MFRS 128, *Investments in Associates and Joint Ventures* (2011)
- IC Interpretation 20, *Stripping Costs in the Production Phase of a Surface Mine**
- Amendments to MFRS 7, *Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities*
- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards - Government Loans**
- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2009-2011 Cycle)*
- Amendments to MFRS 101, *Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)*
- Amendments to MFRS 116, *Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)*
- Amendments to MFRS 132, *Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)*
- Amendments to MFRS 134, *Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)*
- Amendments to MFRS 10, *Consolidated Financial Statements: Transition Guidance*
- Amendments to MFRS 11, *Joint Arrangements: Transition Guidance**
- Amendments to MFRS 12, *Disclosure of Interests in Other Entities: Transition Guidance*

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2014

- Amendments to MFRS 10, *Consolidated Financial Statements: Investment Entities*
- Amendments to MFRS 12, *Disclosure of Interests in Other Entities: Investment Entities*
- Amendments to MFRS 127, *Separate Financial Statements (2011): Investment Entities*
- Amendments to MFRS 132, *Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2015

- MFRS 9, *Financial Instruments* (2009)
- MFRS 9, *Financial Instruments* (2010)
- Amendments to MFRS 7, *Financial Instruments: Disclosures - Mandatory Effective Date of MFRS 9 and Transition Disclosures*

The Group and the Company plan to apply the abovementioned standards, amendments and interpretations:

- from the annual period beginning on 1 April 2013 for those standards, amendments or interpretations that are effective for annual periods beginning on or after 1 July 2012 and 1 January 2013, except for those indicated with “*” which are not applicable to the Group and to the Company.

- from the annual period beginning on 1 April 2014 for those standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2014.

- from the annual period beginning on 1 April 2015 for those standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2015.

The initial application of the abovementioned standards, amendments and interpretations are not expected to have any material financial impacts to the current and prior periods financial statements of the Group and of the Company upon their first adoption.

1. Basis of preparation (continued)

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 2 to the financial statements.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (RM), which is the Company's functional currency. All financial information is presented in RM unless otherwise stated.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any affected future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes :

- Note 5 - Valuation of investment properties
- Note 8 - Goodwill on consolidation

2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and in preparing the opening MFRS statements of financial position of the Group and of the Company at 1 April 2011 (the transition date to MFRS framework), unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including unincorporated entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Control exists when the Company has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

2. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(i) Subsidiaries (continued)

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investments includes transaction costs.

(ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

Acquisitions on or after 1 April 2011

For acquisitions on or after 1 April 2011, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Acquisitions before 1 April 2011

As part of its transition to MFRS, the Group elected not to restate those business combinations that occurred before the date of transition to MFRSs, i.e. 1 April 2011. Goodwill arising from acquisitions before 1 April 2011 has been carried forward from the previous FRS framework as at the date of transition.

2. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(iii) Acquisitions of non-controlling interests

The Group treats all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

(iv) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(v) Associates

Associates are entities, including unincorporated entities, in which the Group has significant influence, but not control, over the financial and operating policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method less any impairment losses, unless it is classified as held for sale or distribution (or included in a disposal group that is classified as held for sale or distribution). The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the associates, after adjustments if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in that associate, with a resulting gain or loss being recognised in profit or loss. Any retained interest in the former associate at the date when significant influence is lost is re-measured at fair value and this amount is regarded as the initial carrying amount of a financial asset.

2. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(v) Associates (continued)

When the Group's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not re-measured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to profit or loss.

Investments in associates are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of the investment includes transaction costs.

(vi) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(vii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with associates are eliminated against the investment to the extent of the Group's interest in the associates. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2. Significant accounting policies (continued)

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments or a financial instrument designated as a hedge of currency risk, which are recognised in other comprehensive income.

(ii) Operations denominated in functional currencies other than Ringgit Malaysia

The assets and liabilities of operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting period, except for goodwill and fair value adjustments arising from business combinations before 1 April 2011 which are treated as assets and liabilities of the Company. The income and expenses of foreign operations are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve (FCTR) in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related to that foreign operation is reclassified to profit or loss as part of the profit or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

2. Significant accounting policies (continued)

(b) Foreign currency (continued)

(ii) Operations denominated in functional currencies other than Ringgit Malaysia (continued)

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the FCTR in equity.

(c) Financial instruments

(i) Initial recognition and measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

(ii) Financial instrument categories and subsequent measurement

The Group and the Company categorise financial instruments as follows:

Financial assets

(a) Financial assets at fair value through profit or loss

Fair value through profit or loss category comprises financial assets that are held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial assets that are specifically designated into this category upon initial recognition.

2. Significant accounting policies (continued)

(c) Financial Instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

Financial assets (continued)

(a) Financial assets at fair value through profit or loss (continued)

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial assets categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(b) Loans and receivables

Loans and receivables category comprises debt instruments that are not quoted in an active market.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

All financial assets, except for those measured at fair value through profit or loss, are subject to review for impairment (see note 2(h)(i)).

Financial liabilities

All financial liabilities are subsequently measured at amortised cost other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

2. Significant accounting policies (continued)

(c) Financial instruments (continued)

(iii) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are classified as deferred income and are amortised to profit or loss using a straight-line method over the contractual period or, when there is no specified contractual period, recognised in profit or loss upon discharge of the guarantee. When settlement of a financial guarantee contract becomes probable, an estimate of the obligation is made. If the carrying value of the financial guarantee contract is lower than the obligation, the carrying value is adjusted to the obligation amount and accounted for as a provision.

(iv) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting. Trade date accounting refers to:

(a) the recognition of an asset to be received and the liability to pay for it on the trade date, and
(b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

(v) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

2. Significant accounting policies (continued)

(c) Financial instruments (continued)

(v) Derecognition (continued)

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged between knowledgeable willing parties in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items when available and replacement cost when appropriate.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other operating income" and "other operating expenses" respectively in profit or loss.

2. Significant accounting policies (continued)

(d) Property, plant and equipment (continued)

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group or the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The depreciation rates for the current and comparative periods are as follows:

	%
Buildings	1.5 - 2.5
Plant and machinery	10 - 25
Office equipment, furniture and fittings	8 - 25
Motor vehicles	20

Depreciation methods, useful lives and residual values are reviewed at the end of the reporting period, and adjusted as appropriate.

(e) Leased assets

(i) Finance lease

Leases in terms of which the Group or the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

2. Significant accounting policies (continued)

(e) Leased assets (continued)

(i) Finance lease (continued)

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Leasehold land which in substance is a finance lease is classified as property, plant and equipment.

(ii) Operating leases

Leases, where the Group or the Company does not assume substantially all the risks and rewards of ownership are classified as operating leases and, except for property interest held under operating lease, the leased assets are not recognised on the statement of financial position. Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease.

Leasehold land which in substance is an operating lease is classified as prepaid lease payments.

(f) Goodwill

Goodwill arises on business combinations is measured at cost less any accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee. Goodwill is tested for impairment annually and whenever there is an indication that it may be impaired.

2. Significant accounting policies (continued)

(g) Investment property

(i) Investment property carried at cost

Investment properties are properties which are owned to earn rental income or for capital appreciation or for both. These include land (other than prepaid lease payments) held for a currently undetermined future use. Properties that are occupied by the companies in the Group are accounted for as owner-occupied rather than as investment properties.

Investment properties are measured initially at cost less any accumulated depreciation and any accumulated impairment losses, consistent with the accounting policy for property, plant and equipment as stated in accounting policy Note 2(d).

Cost includes expenditure that is directly attributable to the acquisition of the investment property.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of 50 years for buildings.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

(ii) Reclassification to/from investment property

When an item of property, plant and equipment is transferred to investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity as a revaluation of property, plant and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in profit or loss. Upon disposal of an investment property, any surplus previously recorded in equity is transferred to retained earnings; the transfer is not made through profit or loss.

When the use of a property changes such that it is reclassified as property, plant and equipment or inventories, its fair value at the date of reclassification becomes its cost for subsequent accounting.

2. Significant accounting policies (continued)

(g) Investment property (continued)

(iii) Determination of fair value

The Directors estimate the fair values of the Group's investment properties based on the Directors' own assessment by reference to market evidence of transaction prices for similar properties.

(h) Impairment

(i) Financial assets

All financial assets (except for financial assets categorised as fair value through profit or loss, investments in subsidiaries and investment in an associate) are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an investment in an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment. If any such objective evidence exists, then the financial asset's recoverable amount is estimated.

An impairment loss in respect of loans and receivables is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.

2. Significant accounting policies (continued)

(h) Impairment (continued)

(ii) Other assets

The carrying amounts of other assets (except for inventories) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (groups of cash-generating units) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

2. Significant accounting policies (continued)

(i) Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is measured based on first-in first-out principle and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of work-in-progress and manufactured inventories, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The fair value of inventories acquired in a business combination is determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

(j) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Group and the Company in the management of their short term commitments. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(k) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

2. Significant accounting policies (continued)

(l) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(i) Issue expenses

Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

(ii) Ordinary shares

Ordinary shares are classified as equity.

(iii) Repurchase of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares in the statement of changes in equity.

Where treasury shares are distributed as share dividends, the cost of the treasury shares is applied in the reduction of the share premium account or distributable reserves, or both.

Where treasury shares are sold or reissued subsequently, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity, and the resulting surplus or deficit on the transaction is presented in share premium.

(m) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

2. Significant accounting policies (continued)

(m) Borrowing costs (continued)

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(n) Revenue and other income

(i) Goods sold

Revenue from the sale of goods in the course of ordinary activities is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discount and volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

(ii) Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from subleased property is recognised as other income.

(iii) Dividend income

Dividend income is recognised in profit or loss on the date that the Group's or the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

(iv) Commission income

When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission made by the Group.

2. Significant accounting policies (continued)

(n) Revenue and other income (continued)

(v) Government grants

Government grants that compensate the Group for the cost of an asset are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and that the Group will comply with the conditions associated with the grant and are then recognised in profit or loss as other income on a systematic basis over the useful life of the asset.

Grants that compensate the Group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the same periods in which the expenses are recognised.

(vi) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

(o) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

2. Significant accounting policies (continued)

(o) Income tax (continued)

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unutilised reinvestment allowance and investment tax allowance, being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against the unutilised tax incentive can be utilised.

(p) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

2. Significant accounting policies (continued)

(p) Employee benefits (continued)

(ii) Share-based payment transactions

The grant date fair value of share-based payment granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

The fair value of employee share options is measured using a binomial lattice model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

(q) Earnings per ordinary share

The Group presents basic and diluted earnings per share data for its ordinary shares (“EPS”).

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding adjusted for own shares held for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

(r) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group’s other components. An operating segment’s operating results are reviewed regularly by the chief operating decision maker, which in this case is the Managing Director of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

3. Property, plant and equipment - Group

	Freehold land RM	Buildings RM	Plant and machinery RM	Office equipment, furniture and fittings RM	Motor vehicles RM	Capital expenditure-in-progress RM	Total RM
Cost							
At 1 April 2011	8,847,995	65,742,756	132,882,486	15,095,452	6,298,034	331,235	229,197,958
Additions	27,120	2,656,644	4,300,410	416,783	1,975,873	203,906	9,580,736
Disposals	(12,389)	-	(124,320)	(130,246)	(709,262)	-	(976,217)
Effect of movements in exchange rates	(101,972)	(1,355,452)	(2,528,514)	(526,937)	(147,437)	-	(4,660,312)
At 31 March 2012/1 April 2012	8,760,754	67,043,948	134,530,062	14,855,052	7,417,208	535,141	233,142,165
Additions	6,065,522	7,635,399	9,161,552	868,693	516,002	345,000	24,592,168
Disposals	-	-	(1,423,758)	(3,065)	(291,398)	-	(1,718,221)
Reclassification	-	-	197,909	-	-	(197,909)	-
Effect of movements in exchange rates	(65,001)	(948,996)	(1,738,796)	(360,899)	(105,452)	(6,025)	(3,225,169)
At 31 March 2013	14,761,275	73,730,351	140,726,969	15,359,781	7,536,360	676,207	252,790,943

3. Property, plant and equipment - Group (continued)

	Freehold land RM	Buildings RM	Plant and machinery RM	Office equipment, furniture and fittings RM	Motor vehicles RM	Capital expenditure-in-progress RM	Total RM
Accumulated depreciation							
At 1 April 2011	-	23,961,754	98,008,734	11,671,764	5,402,502	-	139,044,754
Depreciation for the year	-	1,458,954	6,359,108	838,767	649,069	-	9,305,898
Disposals	-	-	(101,276)	(129,075)	(662,359)	-	(892,710)
Effect of movements in exchange rates	-	(815,136)	(2,127,087)	(440,136)	(122,111)	-	(3,504,470)
At 31 March 2012/1 April 2012	-	24,605,572	102,139,479	11,941,320	5,267,101	-	143,953,472
Depreciation for the year	-	1,746,890	7,154,933	1,115,938	834,865	-	10,852,626
Disposals	-	-	(1,347,303)	(3,061)	(291,386)	-	(1,641,750)
Effect of movements in exchange rates	-	(537,206)	(1,429,260)	(308,670)	(83,102)	-	(2,358,238)
At 31 March 2013	-	25,815,256	106,517,849	12,745,527	5,727,478	-	150,806,110
Carrying amounts							
At 1 April 2011	8,847,995	41,781,002	34,873,752	3,423,688	895,532	331,235	90,153,204
At 31 March 2012/1 April 2012	8,760,754	42,438,376	32,390,583	2,913,732	2,150,107	535,141	89,188,693
At 31 March 2013	14,761,275	47,915,095	34,209,120	2,614,254	1,808,882	676,207	101,984,833

3. Property, plant and equipment - Group (continued)

Security

Certain freehold land and buildings of the Group with carrying amount of RM Nil (31.3.2012 : RM17,635,356; 1.4.2011 : RM18,913,967) were pledged to a financial institution as security for borrowings as disclosed in Note 17 to the financial statements.

Assets under finance lease arrangement

The Group leases production plant and equipment amounting to RM Nil (31.3.2012 : RM990,897; 1.4.2011 : RM1,256,781) under finance lease with expiry dates ranging from 2011 to 2013.

4. Prepaid lease payments - Group

	Unexpired period less than 50 years RM
Cost	
At 1 April 2011/31 March 2012/31 March 2013	2,294,116
Amortisation	
At 1 April 2011	576,787
Amortisation for the year	38,875
At 31 March 2012/1 April 2012	615,662
Amortisation for the year	38,877
At 31 March 2013	654,539
Carrying amounts	
At 1 April 2011	1,717,329
At 31 March 2012/1 April 2012	1,678,454
At 31 March 2013	1,639,577

5. Investment properties - Group

Buildings	**RM**
Cost	
At 1 April 2011/31 March 2012/31 March 2013	2,529,874
Accumulated depreciation	
At 1 April 2011	570,108
Depreciation for the year	50,598
At 31 March 2012/1 April 2012	620,706
Depreciation for the year	50,598
At 31 March 2013	671,304
Carrying amounts	
At 1 April 2011	1,959,766
At 31 March 2012/1 April 2012	1,909,168
At 31 March 2013	1,858,570

The fair value of investment properties based on the Directors' own assessment by reference to market evidence of transaction prices for similar properties was RM2.75 million (31.3.2012 : RM2.75 million; 1.4.2011 : RM2.75 million).

Investment properties comprise factory building and commercial properties that are leased to third party. The leases are entered into for a period of 3 years. Subsequent renewals are to be negotiated with the lessee.

The following are recognised in the profit or loss in respect of investment properties :

	2013 **RM**	**2012** **RM**
Rental income	229,825	222,050
Direct operating expenses - income generating investment properties	15,856	15,856

6. Investments in subsidiaries - Company

	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Unquoted shares, at cost	46,152,545	46,152,545	21,352,545
Add: Share-based payment allocated to subsidiaries	2,608,396	2,363,350	1,900,164
	48,760,941	48,515,895	23,252,709

Details of the subsidiaries are as follows :

Name of subsidiary	Effective ownership interest 31.3.2013	31.3.2012	1.4.2011	Country of incorporation	Principal activities
Asia File Products Sdn. Bhd.	100%	100%	100%	Malaysia	Manufacture and sale of stationery products
Sin Chuan Marketing Sdn. Bhd.	100%	100%	100%	Malaysia	Trading of stationery products
Lim & Khoo Sdn. Bhd.	100%	100%	100%	Malaysia	Investment holding
Formosa Technology Sdn. Bhd.	100%	100%	100%	Malaysia	Dormant
ABBA Marketing Sdn. Bhd.	100%	100%	100%	Malaysia	Trading of stationery products, graphic designing and desktop publishing
AFP Composite Sdn. Bhd.	100%	100%	100%	Malaysia	Manufacture and supply of plastic related products
Premier Stationery Limited *	75%	75%	75%	United Kingdom	Import and distribution of stationery products
Premier Stationery Pte. Ltd. *	100%	100%	100%	Singapore	Trading of stationery products
Higher Kings Mill Limited *	100%	100%	-	United Kingdom	Manufacture and sale of coloured paper and boards for filing, educational and other specialty markets.
Subsidiary of Asia File Products Sdn. Bhd.					
Plastoreg Smidt GmbH*	100%	100%	100%	Germany	Manufacture and distribution of stationery products

* Not audited by KPMG

7. Investment in an associate

	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Group			
At cost			
Quoted shares in Malaysia	46,923,664	46,602,667	46,351,896
Share of post acquisition reserves and results	71,058,780	69,707,571	61,968,462
	117,982,444	116,310,238	108,320,358
Market value of quoted shares	43,265,000	56,925,000	48,828,000
Company			
At cost			
Quoted shares in Malaysia	5,073,921	4,752,924	4,502,153
Market value of quoted shares	4,338,000	5,384,000	4,419,000

Details of the associate are as follows :

Name of associate	Effective ownership interest 31.3.2013 %	31.3.2012 %	1.4.2011 %	Country of incorporation	Principal activity	Financial year end
Muda Holdings Berhad	20.06	20.06	20.12	Malaysia	Investment holding	31 December

Summary of financial information on the associate :

	Revenue RM'000	Profit after tax RM'000	Total assets RM'000	Total liabilities RM'000
31.3.2013				
Muda Holdings Berhad	1,081,404	23,596	1,228,821	613,117
31.3.2012				
Muda Holdings Berhad	1,112,320	51,951	1,238,287	621,698
1.4.2011				
Muda Holdings Berhad	979,900	44,311	1,142,330	565,939

There is no share of associated companies' contingent liabilities incurred jointly with other investors.

8. Goodwill on consolidation - Group

	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Goodwill on consolidation	30,234,456	30,234,456	30,234,456

Goodwill has been allocated to the Group's cash-generating units ("CGU") identified in the foreign subsidiary company's operations acquired in the previous year. The aggregate carrying amount of goodwill allocated was RM30.2 million (31.3.2012: RM30.2 million; 1.4.2011: RM30.2 million).

Goodwill is allocated to Group's CGU expected to benefit from the synergies of the acquisition. For annual impairment testing purpose, the recoverable amount of the CGU is based on their value-in-use. The value in use calculations apply a discounted cash flow model using cash flow projections based on the financial forecast. The key assumptions for the computation of value-in-use include the discount rates and growth rates applied of approximately 10%. Discount rates used are based on the pre-tax weighted average cost of capital plus an appropriate risk premium, where applicable, at the assessment of the respective CGU. Cash flow projections are based on five years financial budgets.

Management believes that any reasonably possible change in the key assumptions would not cause the carrying amount of the goodwill to exceed the recoverable amount of the CGU. Based on this review, there is no evidence of impairment on the Group's goodwill.

9. Trade and other receivables

	Note	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Group				
Trade				
Trade receivables	9.1	56,182,991	59,635,035	42,487,392
Non-trade				
Other receivables		2,582,844	2,285,920	2,567,147
Deposits		346,926	643,253	773,374
Prepayments		2,389,603	1,127,466	800,914
Derivative financial assets	9.2	-	-	667,486
		5,319,373	4,056,639	4,808,921
		61,502,364	63,691,674	47,296,313

9. Trade and other receivables (continued)

	Note	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Company				
Non-trade				
Amount due from subsidiaries	9.3	137,769,119	128,410,234	146,171,452
Other receivables		78,181	127,264	77,898
		137,847,300	128,537,498	146,249,350

9.1 Trade receivables

The Group's normal credit terms for trade receivables range from 30 to 90 days (31.3.2012 : 30 to 90 days; 1.4.2011 : 30 to 90 days).

Included in trade receivables are amounts due from companies in which a Director and his family members collectively have controlling interests of RM127,057 (31.3.2012 : RM143,514; 1.4.2011 : RM139,369), respectively which are subject to the normal credit terms.

9.2 Derivative financial assets

This represented the fair value gain on forward currency contracts at the end of the reporting period.

9.3 Amount due from subsidiaries

The current non-trade receivables due from subsidiaries are unsecured, interest-free and repayable on demand other than an amount of RM6,846,885 (31.3.2012: RM7,923,567; 1.4.2011: Nil) due from a subsidiary which carries interest at 4.5% (31.3.2012: 4.5%; 1.4.2011: Nil) per annum.

10. Inventories - Group

	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Raw materials	53,117,745	51,754,295	43,460,738
Work-in-progress	7,867,129	3,633,996	5,198,077
Manufactured inventories	40,169,473	39,425,494	22,537,953
	101,154,347	94,813,785	71,196,768

11. Cash and cash equivalents

	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Group			
Short term deposits with licensed banks	21,542,872	20,051,948	60,363,530
Cash and bank balances	20,805,398	37,090,560	20,499,117
	42,348,270	57,142,508	80,862,647
Company			
Short term deposits with licensed banks	113,913	3,531,107	4,537,570
Cash and bank balances	47,842	268,284	40,060
	161,755	3,799,391	4,577,630

12. Share capital - Group/Company

	31.3.2013		31.3.2012		1.4.2011	
	RM'000	Number of shares ('000)	RM'000	Number of shares ('000)	RM'000	Number of shares ('000)
Ordinary shares of RM1 each						
Authorised :	500,000	500,000	500,000	500,000	500,000	500,000

	2013		2012	
	RM	Number of shares	RM	Number of shares
Issued and fully paid :				
Balance at 1 April	116,025,730	116,025,730	115,506,930	115,506,930
Issued under ESOS, for cash at :				
- RM3.14 per share	166,600	166,600	507,400	507,400
- RM4.11 per share	-	-	2,000	2,000
- RM3.10 per share	54,500	54,500	9,400	9,400
	221,100	221,100	518,800	518,800
Balance at 31 March	116,246,830	116,246,830	116,025,730	116,025,730

13. Treasury shares - Group/Company

The shareholders of the Company, by a special resolution passed at the Extraordinary General Meeting held on 25 September 2001 approved the Company's plan to purchase its own shares.

During the financial year, the Company repurchased 200 (31.3.2012 : 96,900; 1.4.2011 : 30,600) of its issued share capital from the open market at an average price of RM3.60 (31.3.2012 : RM3.49; 1.4.2011 : RM4.55) per share. The total consideration paid was RM778 (31.3.2012 : RM338,651; 1.4.2011 : RM139,358) including transaction costs of RM58 (31.3.2012 : RM931; 1.4.2011 : RM446). The repurchase transactions were financed by internally generated funds. The shares repurchased are retained as treasury shares.

As at 31 March 2013, a total of 399,800 (31.3.2012 : 399,600; 1.4.2011 : 302,700) ordinary shares were held as treasury shares. The number of outstanding ordinary shares of RM1 each in issue and fully paid-up after deducting the treasury shares held is 115,847,030 (31.3.2012 : 115,626,130; 1.4.2011 : 115,204,230). Treasury shares held have no rights to voting, dividends and participation in other distribution.

14. Reserves

	31.3.2013 RM	**31.3.2012 RM**	**1.4.2011 RM**
Group			
Non-distributable :			
Translation reserve	(4,657,468)	(2,370,759)	-
Share premium on ordinary shares			
Balance at 1 April	17,678,517	16,245,612	14,509,978
Issue of shares at :			
- RM3.14 per share	356,524	1,085,836	1,330,652
- RM4.11 per share	-	6,220	38,875
- RM3.10 per share	114,450	19,740	-
Share options exercised	115,755	231,629	287,639
Associate	66,987	89,480	78,468
Balance at 31 March	18,332,233	17,678,517	16,245,612
Share options reserve	2,843,535	2,320,811	1,431,259
Distributable :			
Retained earnings	254,126,202	237,147,019	212,086,968
	270,644,502	254,775,588	229,763,839

14. Reserves (continued)

	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Company			
Non-distributable :			
Share premium on ordinary shares			
Balance at 1 April	17,429,971	16,086,546	14,429,380
Issue of shares at :			
- RM3.14 per share	356,524	1,085,836	1,330,652
- RM4.11 per share	-	6,220	38,875
- RM3.10 per share	114,450	19,740	-
Share options exercised	115,755	231,629	287,639
Balance at 31 March	18,016,700	17,429,971	16,086,546
Share options reserve	2,841,633	2,260,747	1,308,800
Distributable :			
Retained earnings	20,964,957	20,084,702	15,312,604
	41,823,290	39,775,420	32,707,950

Movements of reserves are shown in the Statement of Changes in Equity.

15. Deferred tax liabilities - Group

Recognised deferred tax liabilities

Deferred tax liabilities are attributable to the following :

	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Property, plant and equipment			
- revaluation	879,464	879,464	879,464
- capital allowances	5,113,349	4,953,764	5,274,464
- fair value adjustment	1,820,474	1,820,474	1,820,474
Provisions	(430,000)	(349,639)	(144,908)
	7,383,287	7,304,063	7,829,494

15. Deferred tax liabilities - Group (continued)

Movement in temporary difference during the year

Group	At 1.4.2011 RM	Recognised in profit or loss (Note 23) RM	Translation difference RM	At 31.3.2012/ 1.4.2012 RM	Recognised in profit or loss (Note 23) RM	Translation difference RM	At 31.3.2013 RM
Property, plant and equipment							
- revaluation	879,464	-	-	879,464	-	-	879,464
- capital allowance	5,274,464	(300,851)	(19,849)	4,953,764	175,822	(16,237)	5,113,349
- fair value adjustment	1,820,474	-	-	1,820,474	-	-	1,820,474
Provisions	(144,908)	(204,731)	-	(349,639)	(80,361)	-	(430,000)
	7,829,494	(505,582)	(19,849)	7,304,063	95,461	(16,237)	7,383,287

15. Deferred tax liabilities - Group (continued)

Unrecognised deferred tax assets

No deferred tax asset has been recognised for the following items :

	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Tax losses carry-forward and deductible temporary differences of a foreign subsidiary	286,000	563,000	895,000

Deferred tax asset has not been recognised in respect of the tax losses carry-forward and deductible temporary differences because it is not probable that future taxable profits will be available against which the subsidiary can utilise the benefits there from.

16. Trade and other payables

	Note	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Group				
Trade				
Trade payables	16.1	19,065,980	26,647,507	26,485,330
Non-trade				
Other payables		5,091,321	7,166,540	4,830,400
Accrued expenses		10,479,371	9,630,883	4,708,782
		15,570,692	16,797,423	9,539,182
		34,636,672	43,444,930	36,024,512
Company				
Non-trade				
Amount due to subsidiaries	16.2	25,976,034	22,059,941	20,624,543
Other payables		109,743	68,714	518,903
Accrued expenses		269,150	275,998	259,300
		26,354,927	22,404,653	21,402,746

16. Trade and other payables (continued)

16.1 Trade payables

The Group's normal credit terms for trade payables range from 30 to 90 days (31.3.2012 : 30 to 90 days; 1.4.2011 : 30 to 90 days). The trade payables include trade payables due to associates of RM521,061 (31.3.2012: RM495,243; 1.4.2011 : RM612,547) which are subject to the normal credit terms.

16.2 Amount due to subsidiaries

The non-trade payables due to subsidiaries are unsecured, interest free and repayable on demand.

17. Bank borrowings - Group

	Note	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Current				
Secured				
Term loans		-	1,360,000	1,423,333
Unsecured				
Term loans		2,250,000	3,000,000	7,000,000
Foreign currency trade loans		15,717,765	16,442,333	16,550,446
Bank overdrafts		99,497	95,700	99,995
Finance lease liabilities	17.3	-	119,567	204,733
		18,067,262	21,017,600	25,278,507
Non-current				
Secured				
Term loans		-	8,401	1,432,126
Unsecured				
Term loans		-	2,250,000	5,250,000
Finance lease liabilities	17.3	-	-	124,971
		-	2,258,401	6,807,097

17.1 Interest rates

The bank overdrafts are subject to interest at 1.75% (31.3.2012 : 1.75%; 1.4.2011 : 1.75%) per annum above lenders' base lending rates.

The foreign currency trade loans are denominated in US Dollar and Hong Kong Dollar and are subject to interest at 0.50% (31.3.2012 : 0.50%; 1.4.2011 : 0.50%) per annum above the bank's cost of funds.

17. Bank borrowings - Group (continued)

17.1 Interest rates (continued)

The secured term loans, which are denominated in Euro, are subject to interest at 1.05% (31.3.2012: 1.05%; 1.4.2011 : 1.05%) per annum over Euro Interbank Offered Rate (“EURIBOR”). The unsecured term loans, which are denominated in Ringgit Malaysia, are subject to interest at 0.50% (31.3.2012 : 0.50%; 1.4.2011 : 0.50%) per annum over Kuala Lumpur Interbank Offered Rate (“KLIBOR”).

The finance lease liabilities in the previous year were subject to interest rates ranging from 5.27% to 6.00% (1.4.2011 : 5.27% to 6.00%) per annum.

17.2 Securities

The term loans were secured by certain freehold land and buildings of the Group (Note 3).

17.3 Finance lease liabilities

	Future minimum lease payment RM	Interest RM	Present value of minimum lease payment RM
31.3.2013			
Less than one year	-	-	-
Between one and five years	-	-	-
	-	-	-
31.3.2012			
Less than one year	121,940	2,373	119,567
Between one and five years	-	-	-
	121,940	2,373	119,567
1.4.2011			
Less than one year	216,627	11,894	204,733
Between one and five years	127,454	2,483	124,971
	344,081	14,377	329,704

18. Employee benefits - Group/Company

Share Option Plan

The Group offers vested share options over ordinary shares to full time executive Directors and employees who have been in the employment of the Group for a continuous period of at least six (6) months. The number and weighted average exercise price of share options are as follows :

	Weighted average exercise price 2013 RM	Number of options 2013	Weighted average exercise price 2012 RM	Number of options 2012
Outstanding at 1 April	3.14	1,742,970	3.14	2,297,570
Outstanding at 1 April	4.11	787,000	4.11	822,200
Outstanding at 1 April	3.10	3,628,600	-	-
Granted during the year	-	-	3.10	3,674,000
Exercised during the year	3.14	(166,600)	3.14	(507,400)
Exercised during the year	4.11	-	4.11	(2,000)
Exercised during the year	3.10	(54,500)	3.10	(9,400)
Total exercised during the year		(221,100)		(518,800)
Lapsed due to resignation	3.14	(18,800)	3.14	(47,200)
Lapsed due to resignation	4.11	-	4.11	(33,200)
Lapsed due to resignation	3.10	(115,000)	3.10	(36,000)
Total lapsed during the year		(133,800)		(116,400)
Outstanding at 31 March	3.25	5,803,670	3.24	6,158,570
Exercisable at 31 March		3,161,420		2,884,370

The outstanding options as at 31 March 2013 have exercise prices of RM3.14, RM4.11 and RM3.10 respectively. The weighted average option life is 4 years.

18. Employee benefits - Group/Company (continued)

The fair value of services received in return for share options granted is based on the fair value of share options granted, measured using a binomial lattice model, with the following inputs :

	Directors RM	Executives RM	Others RM
31.3.2013			
Fair value of share options and assumptions			
Fair value at grant date			
- 27.4.2007	0.44	0.44	0.44
- 20.4.2009	0.60	0.60	0.60
- 3.10.2011	0.77	0.77	0.77
31.3.2012			
Fair value of share options and assumptions			
Fair value at grant date			
- 27.4.2007	0.44	0.44	0.44
- 20.4.2009	0.60	0.60	0.60
- 3.10.2011	0.77	0.77	0.77
1.4.2011			
Fair value of share options and assumptions			
Fair value at grant date			
- 27.4.2007	0.44	0.44	0.44
- 20.4.2009	0.60	0.60	0.60

Exercise price	RM3.14, RM4.11 and RM3.10
Expected volatility (weighted average volatility)	19.42%, 22.04% and 31.50%
Option life (expected weighted average life)	3 to 5 years
Expected dividends	5.50% to 6.46%
Risk-free interest rate (based on Malaysian government bonds)	2.82% and 3.45%

18. Employee benefits - Group/Company (continued)

Value of employee services received for issue of share options

	Group		Company	
	2013	**2012**	**2013**	**2012**
	RM	**RM**	**RM**	**RM**
Recognised as staff cost in profit or loss (Note 22)	720,014	1,217,185	474,968	753,999
Additions to investment in subsidiaries	-	-	245,046	463,186
	720,014	1,217,185	720,014	1,217,185

19. Revenue

	Group		Company	
	2013	**2012**	**2013**	**2012**
	RM	**RM**	**RM**	**RM**
Invoiced value of goods sold less discounts and returns	323,301,158	276,239,735	-	-
Gross dividends receivable				
- subsidiaries	-	-	25,749,000	29,000,000
- associate	-	-	147,753	136,388
Commission income	83,214	83,017	83,214	83,017
Management fees - subsidiaries	-	-	2,193,060	2,058,000
	323,384,372	276,322,752	28,173,027	31,277,405

20. Profit before tax

Profit before tax is arrived at :

	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
After charging :				
Auditors' remuneration				
Statutory audit				
- KPMG Malaysia				
- Current year	80,000	65,000	23,000	12,000
- Prior year	7,000	-	3,000	-
- Other auditors	193,153	172,962	-	-
Non-audit fees				
- KPMG Malaysia	12,843	6,000	12,843	6,000
- Affiliates of KPMG	34,600	20,000	34,600	20,000
Bad debts written off	8,459	17,367	-	-
Consultancy fee paid to a company in which a Director of a subsidiary has a substantial financial interest	277,532	207,910	-	-
Amortisation of prepaid lease payments (Note 4)	38,877	38,875	-	-
Depreciation				
- property, plant and equipment (Note 3)	10,852,626	9,305,898	-	-
- investment properties (Note 5)	50,598	50,598	-	-
Rental of premises	1,116,727	1,089,714	-	-
Loss on foreign exchange				
- realised	-	-	-	37,197
- unrealised	2,868,345	730,547	292,391	24,524
Interest expense	406,901	720,635	18	-
Impairment loss on doubtful trade receivables (net)	81,974	72,357	-	-
and after crediting :				
Interest income	497,464	850,612	550,895	40,956
Gain on disposal of plant and equipment	10,316	141,579	-	-
Rental income	229,825	222,050	-	-
Gain on foreign exchange				
- realised	244,818	1,321,887	33,145	-

21. Key management personnel compensations

The key management personnel compensations are as follows :

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Directors of the Company				
- Fees	259,000	259,000	242,000	242,000
- Remuneration	944,430	907,947	944,430	907,947
Other Directors				
- Fees	39,440	38,840	-	-
- Remuneration	1,897,912	1,440,130	-	-
	3,140,782	2,645,917	1,186,430	1,149,947

There are no other key management personnel apart from the Directors of the Company and certain Directors of the Group having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly.

The estimated monetary value of benefits received by Directors of the Company otherwise than in cash amounted to RM56,000 (2012 : RM39,879).

22. Employee information

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Staff costs	52,272,183	30,275,991	1,751,870	1,674,817
Share-based payments	720,014	1,217,185	474,968	753,999
	52,992,197	31,493,176	2,226,838	2,428,816

Included in staff costs of the Group and of the Company is an amount of RM3,706,018 (2012 : RM2,414,144) and RM190,857 (2012 : RM180,329) respectively representing contributions made to the statutory pension funds.

23. Income tax expense

Recognised in profit or loss

	Group		Company	
	2013	**2012**	**2013**	**2012**
	RM	**RM**	**RM**	**RM**
Current tax expense				
Malaysian - current	11,487,000	6,237,000	43,000	37,000
- prior year	(731,853)	(14,642)	6,860	(3,787)
Overseas - current	2,042,315	2,528,053	34,912	-
- prior year	(7,323)	236,763	-	-
Total current tax	12,790,139	8,987,174	84,772	33,213
Deferred tax expense				
Malaysian - current	(782,651)	(694,115)	-	-
- prior year	181,854	(60,759)	-	-
Overseas - current	696,258	249,292	-	-
			-	
Total deferred tax	95,461	(505,582)	-	-
Total income tax expense	12,885,600	8,481,592	84,772	33,213

Reconciliation of effective income tax expense

	Group		Company	
	2013	**2012**	**2013**	**2012**
	RM	**RM**	**RM**	**RM**
Profit before tax	56,126,005	57,204,690	25,842,785	28,468,358
Less : share of results of equity accounted associates	(3,834,000)	(8,981,320)	-	-
	52,292,005	48,223,370	25,842,785	28,468,358

23. Income tax expense (continued)

Reconciliation of effective income tax expense (continued)

	Group		Company	
	2013	**2012**	**2013**	**2012**
	RM	**RM**	**RM**	**RM**
Tax at Malaysian tax rate of 25%	13,073,001	12,055,843	6,460,696	7,117,090
Effect of different tax rates in foreign jurisdictions	187,236	86,999	(52,368)	-
Effect of utilisation of tax losses not previously recognised	(277,195)	(225,243)	-	-
Non-deductible expenses	1,116,116	338,797	287,228	212,130
Income not subject to tax	(89,073)	(63,280)	-	-
Tax exempt income	(310,444)	(114,305)	(6,626,599)	(7,294,336)
Tax incentives	(237,905)	(3,749,809)	-	-
Others	(18,814)	(8,772)	8,955	2,116
(Over)/Under provided in prior year	(557,322)	161,362	6,860	(3,787)
Income tax expense	12,885,600	8,481,592	84,772	33,213

24. Earnings per ordinary share - Group

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share is based on the net profit attributable to the owners of the Company of RM42,891,330 (2012 : RM48,723,098) and a weighted average number of ordinary shares outstanding of 115,753,080 (2012 : 115,508,449) calculated as follows :

	2013	**2012**
Issued ordinary shares at 1 April	116,025,730	115,506,930
Effect of shares issued during the year	127,066	360,620
Effect of treasury shares held	(399,716)	(359,101)
Weighted average number of ordinary shares at 31 March	115,753,080	115,508,449

24. Earnings per ordinary share - Group (continued)

Diluted earnings per ordinary share

The calculation of diluted earnings per ordinary share is based on the net profit attributable to the owners of the Company of RM42,891,330 (2012 : RM48,723,098) and a weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, calculated as follows :

	2013	**2012**
Weighted average number of ordinary shares at 31 March	115,753,080	115,508,449
Effect of dilution of unexercised share options	625,497	934,445
Weighted average number of ordinary shares (diluted) at 31 March	116,378,577	116,442,894

25. Dividends

Dividends recognised in the current and previous year by the Company are as follows :

2013	**Sen per share**	**Total amount RM**	**Date of payment**
2012 final single-tier dividend of 13.5% on 115,802,730 ordinary shares of RM1 each	13.50	15,633,369	27 December 2012
Interim single-tier dividend of 8% on 115,847,030 ordinary shares of RM1 each	8.00	9,267,762	28 May 2013
		24,901,131	
2012			
2011 final single-tier dividend of 12.5% on 115,572,530 ordinary shares of RM1 each	12.50	14,446,566	27 December 2011
Interim single-tier dividend of 8% on 115,626,130 ordinary shares of RM1 each	8.00	9,250,090	29 May 2012
		23,696,656	

25. Dividends (continued)

A final single tier dividend of 13.5% amounting to RM15,633,369 proposed in the last financial year and approved by the members in the last Annual General Meeting was paid on 27 December 2012 and accordingly, this amount has been appropriated from the retained earnings in this financial year.

At the forthcoming Annual General Meeting, a final single-tier dividend of 12.5% in respect of the financial year ended 31 March 2013 will be proposed for members' approval. These financial statements do not reflect this final dividend which, when approved by the members, will be accounted for as an appropriation of retained earnings from shareholders' funds in the financial year ending 31 March 2014.

26. Related parties - Group/Company

For the purposes of these financial statements, parties are considered to be related to the Group or the Company if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Group has related party relationships with the following:

i) Subsidiaries and associates of the Company as disclosed in the financial statements.

ii) Companies in which a Director, Mr. Lim Soon Huat and his close family members collectively have controlling interests - Asia Educational Supplies Sdn. Bhd. ("AESSB") and Khyam Seng Printing Sdn. Bhd. ("KSPSB").

iii) Company in which a Director, Mr. Lim Soon Huat has substantial financial interests - Dynamic Office Sdn. Bhd. ("DOSB")

iv) Company in which a Director of a subsidiary, Mr. R.C. Martin, has substantial financial interests - Christopher Martin Ltd.

v) Key management personnel of the Group

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Company and certain Directors of the Group.

26. Related parties - Group/Company (continued)

The significant related party transactions of the Group and the Company, other than key management personnel compensations, are as follows :

a) Transactions entered into between the Company and its subsidiaries

	Transactions amount for the year ended 31 March	
	2013 RM	2012 RM
- Dividend income received	25,749,000	29,000,000
- Management fee receivable	2,193,060	2,058,000

b) Transactions entered into by the subsidiaries in the ordinary course of business with a direct associate

	Transactions amount for the year ended 31 March	
	2013 RM	2012 RM
- Purchases	2,457,118	3,145,526

c) Transactions entered into by the Group in the ordinary course of business with companies in which a Director and his close family members collectively have controlling interests are as follows :

		Transactions amount for the year ended 31 March	
		2013 RM	2012 RM
Sales	- AESSB	238,000	271,000
	- KSPSB	17,000	29,000
	- DOSB	4,000	2,000
Purchases	- AESSB	26,000	27,000
	- KSPSB	600	-
	- DOSB	71,000	49,000

26. Related parties - Group/Company (continued)

d) Transactions with key management personnel :

Key management personnel compensations are disclosed in Note 21 to the financial statements.

The aggregate amount of transactions relating to key management personnel and entity over which they have control or significant influence were as follows :

	Transactions amount for the year ended 31 March	
	2013	**2012**
Group	**RM**	**RM**
Consultancy fee paid to a company in which a Director of a subsidiary has substantial financial interest	277,532	207,910
Rental paid to - a Director of a subsidiary	9,600	9,600

The above transactions have been entered into in the normal course of business and have been established under negotiated terms.

Non-trade balances with related parties are disclosed in Notes 9 and 16 to the financial statements.

27. Capital commitment - Group

	2013	**2012**
	RM	**RM**
Property, plant and equipment		
Contracted but not provided for	-	4,419,959

28. Lease commitment - Group

Total future minimum lease payments under non-cancellable operating leases are as follows :

	2013	**2012**
	RM'000	**RM'000**
Less than 1 year	1,169	1,616
Between 1 and 5 years	1,871	3,548

The Group leases properties and equipment under operating lease arrangements. The leases run for periods ranging from one to five years and do not include contingent rentals.

29. Contingent liabilities - Company

i) *Corporate guarantee - Unsecured*

The Company has given corporate guarantees to certain financial institutions for banking facilities granted to its subsidiaries for RM76,450,000 (31.3.2012 : RM76,450,000; 1.4.2012 : RM96,450,000) of which RM2,349,497 (31.3.2012 : RM5,345,700; 1.4.2012 : RM12,349,995) was utilised at the end of the reporting period.

ii) The Company has undertaken to provide financial support to one of its subsidiaries to enable it to continue operating as a going concern.

iii) The Company has given corporate guarantee of RM9,780,000 to a supplier of its subsidiary, Higher Kings Mill Limited (formerly known as Trissi Brissi Limited).

30. Operating segments - Group

The Group reportable segment mainly consists of manufacturing and trading of stationery products, coloured paper and boards.

Reportable segment has not been prepared as all the Group’s revenue, operating profit, assets employed, liabilities, capital expenditure, depreciation and amortisation and non cash expenses are mainly confined to one business segment.

Operating segments are components in which separate financial information is available that is evaluated regularly by the Managing Director in deciding how to allocate resources and in assessing performance of the Group. The Group has identified the business of manufacturing and trading of stationery products, coloured paper and boards as its sole operating segment.

Performance is measured based on revenue derived from the various products sold and consolidated profit before income tax of the Group as included in the internal management reports that are reviewed by the Managing Director, who is the Group’s chief operating decision maker. The Group’s segment assets and liabilities, as disclosed in the Group’s statement of financial position, are also reviewed regularly by the Managing Director.

30. Operating segments - Group (continued)

Geographical information

In presenting geographical information, segment revenue is based on geographical location of customers. Segment assets are based on the geographical location of the assets. The amounts of non-current assets do not include financial instruments and deferred tax assets.

	Revenue		Non-current assets	
	2013 RM	2012 RM	2013 RM	2012 RM
Malaysia	40,001,507	38,603,753	56,670,782	53,296,481
Asia (excluding Malaysia)	7,832,384	8,523,726	4,020	4,069
Europe	228,337,613	187,777,425	79,042,634	69,710,221
America	30,948,489	28,840,307	-	-
Others	16,264,379	12,577,541	-	-
Consolidated	323,384,372	276,322,752	135,717,436	123,010,771

31. Financial instruments

31.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

(a) Loans and receivables (L&R);
(b) Fair value through profit or loss (FVTPL):
- Held for trading (HFT); and
(c) Financial liabilities measured at amortised cost (FL).

Group	Carrying amount RM	L&R RM	FVTPL RM
Financial assets			
31.3.2013			
Trade and other receivables, including derivatives	58,765,835	58,765,835	-
Cash and cash equivalents	42,348,270	42,348,270	-
	101,114,105	101,114,105	-

31. Financial instruments (continued)

31.1 Categories of financial instruments (continued)

Group (continued)	Carrying amount RM	L&R RM	FVTPL RM
Financial assets (continued)			
31.3.2012			
Trade and other receivables, including derivatives	61,920,955	61,920,955	-
Cash and cash equivalents	57,142,508	57,142,508	-
	119,063,463	119,063,463	-
1.4.2011			
Trade and other receivables, including derivatives	45,722,025	45,054,539	667,486
Cash and cash equivalents	80,862,647	80,862,647	-
	126,584,672	125,917,186	667,486
Company			
Financial assets			
31.3.2013			
Trade and other receivables, including derivatives	137,847,300	137,847,300	-
Cash and cash equivalents	161,755	161,755	-
	138,009,055	138,009,055	-
31.3.2012			
Trade and other receivables, including derivatives	128,537,498	128,537,498	-
Cash and cash equivalents	3,799,391	3,799,391	-
	132,336,889	132,336,889	-
1.4.2011			
Trade and other receivables, including derivatives	146,249,350	146,249,350	-
Cash and cash equivalents	4,577,630	4,577,630	-
	150,826,980	150,826,980	-

31. Financial instruments (continued)

31.1 Categories of financial instruments (continued)

	Carrying amount RM	FL RM
Group		
Financial liabilities		
31.3.2013		
Bank borrowings	(18,067,262)	(18,067,262)
Trade and other payables	(34,636,672)	(34,636,672)
	(52,703,934)	(52,703,934)
31.3.2012		
Bank borrowings	(23,276,001)	(23,276,001)
Trade and other payables	(43,444,930)	(43,444,930)
	(66,720,931)	(66,720,931)
1.4.2011		
Bank borrowings	(32,085,604)	(32,085,604)
Trade and other payables	(36,024,512)	(36,024,512)
	(68,110,116)	(68,110,116)
Company		
Financial liabilities		
31.3.2013		
Trade and other payables	(26,354,927)	(26,354,927)
31.3.2012		
Trade and other payables	(22,404,653)	(22,404,653)
1.4.2011		
Trade and other payables	(21,402,746)	(21,402,746)

31. Financial instruments (continued)

31.2 Net gains and losses arising from financial instruments

	Group 2013 RM	Group 2012 RM
Net (loss)/gain arising on :		
Fair value through profit or loss :		
- held for trading	-	(139,044)
Loans and receivables	(2,216,496)	1,352,228
Financial liabilities measured at amortised cost	(406,901)	(720,635)
	(2,623,397)	492,549

	Company 2013 RM	Company 2012 RM
Net gain/(loss) arising on :		
Loans and receivables	291,649	(20,765)
Financial liabilities measured at amortised cost	(18)	-
	291,631	(20,765)

31.3 Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

31.4 Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers. The Company's exposure to credit risk arises principally from advances to subsidiaries and financial guarantees given to banks for credit facilities granted to subsidiaries.

Receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Normally credit evaluations are performed on customers requiring credit over a certain amount.

31. Financial instruments (continued)

31.4 Credit risk (continued)

Receivables (continued)

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statement of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are measured at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 90 days, which are deemed to have higher credit risk, are monitored individually.

Impairment losses

The ageing of trade receivables as at the end of the reporting period was :

Group	RM
31.3.2013	
Not past due	41,468,671
Past due 1 - 30 days	12,670,718
Past due 31 - 60 days	1,478,958
Past due 61 - 90 days	445,375
Past due more than 90 days	524,039
Gross trade receivables	56,587,761
Individually impaired	(121,392)
Collectively impaired	(283,378)
Net trade receivables	56,182,991
31.3.2012	
Not past due	42,871,272
Past due 1 - 30 days	12,701,772
Past due 31 - 60 days	3,952,154
Past due 61 - 90 days	344,252
Past due more than 90 days	87,564
Gross trade receivables	59,957,014
Individually impaired	(182,058)
Collectively impaired	(139,921)
Net trade receivables	59,635,035

31. Financial instruments (continued)

31.4 Credit risk (continued)

Receivables (continued)

Group	**RM**
1.4.2011	
Not past due	34,042,819
Past due 1 - 30 days	7,724,224
Past due 31 - 60 days	376,009
Past due 61 - 90 days	264,764
Past due more than 90 days	341,750
Gross trade receivables	42,749,566
Individually impaired	(164,732)
Collectively impaired	(97,442)
Net trade receivables	42,487,392

The movements in the allowance for impairment losses on trade receivables during the financial year were as follows :

	2013 RM	**2012 RM**
At 1 April	321,979	262,174
Impairment loss recognised	233,455	91,264
Impairment loss reversed	(151,481)	(18,907)
Translation difference	817	(12,552)
At 31 March	404,770	321,979

The allowance account in respect of receivables is used to record impairment losses. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

31. Financial instruments (continued)

31.4 Credit risk (continued)

Financial guarantees (continued)

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts to RM2,349,497 (31.3.2012: RM5,345,700; 1.4.2011 : RM12,349,995) representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

As at the end of the reporting period, there was no indication that any subsidiary would default on repayment.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

Inter company balances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured advances to subsidiaries. The Company monitors the results of the related companies regularly.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Impairment losses

As at the end of the reporting period, there was no indication that the advances to subsidiaries are not recoverable. The Company does not specifically monitor the ageing of the advances to the subsidiaries. Nevertheless, these advances are not considered overdue and are repayable on demand.

31.5 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

In the management of liquidity risk, the Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to finance the Group's and the Company's operations and to mitigate any adverse effects of fluctuations in cash flows.

31. Financial instruments (continued)

31.5 Liquidity risk (continued)

Maturity analysis

The table below summarises the maturity profile of the Group's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount RM	Contractual interest rate %	Contractual cash flows RM	Under 1 year RM	1 - 2 years RM	2 - 3 years RM
31.3.2013						
Group						
Non-derivative financial liabilities						
Bank overdrafts	99,497	7.10	99,497	99,497	-	-
Unsecured onshore foreign currency trade loans	15,717,765	0.77 - 1.21	15,766,660	15,766,660	-	-
Term loans						
- RM	2,250,000	3.86	2,250,000	2,250,000		
Trade and other payables	34,636,672	-	34,636,672	34,636,672	-	-
	52,703,934		52,752,829	52,752,829	-	-

31. Financial instruments (continued)

31.5 Liquidity risk (continued)

Maturity analysis (continued)

	Carrying amount RM	Contractual interest rate %	Contractual cash flows RM	Under 1 year RM	1 - 2 years RM	2 - 3 years RM
31.3.2012						
Group						
Non-derivative financial liabilities						
Bank overdrafts	95,700	7.10	95,700	95,700	-	-
Unsecured onshore foreign currency trade loans	16,442,333	1.06 - 1.40	16,515,880	16,515,880	-	-
Term loans						
- RM	5,250,000	3.76	5,443,807	3,152,068	2,291,739	-
- Euro	1,368,401	2.19	1,387,228	1,378,782	8,446	-
Finance lease liabilities	119,567	5.27 - 6.00	121,940	121,940	-	-
Trade and other payables	43,444,930	-	43,444,930	43,444,930	-	-
	66,720,931		67,009,485	64,709,300	2,300,185	-

31. Financial instruments (continued)

31.5 Liquidity risk (continued)

Maturity analysis (continued)

	Carrying amount RM	Contractual interest rate %	Contractual cash flows RM	Under 1 year RM	1 - 2 years RM	2 - 3 years RM
1.4.2011						
Group						
Non-derivative financial liabilities						
Bank overdrafts	99,995	6.80	99,995	99,995	-	-
Unsecured onshore foreign currency trade loans	16,550,446	0.91	16,600,306	16,600,306	-	-
Term loans						
- RM	12,250,000	3.47 - 3.90	12,843,118	7,349,269	3,144,968	2,348,881
- Euro	2,855,459	2.11	2,922,933	1,471,917	1,451,016	-
Finance lease liabilities	329,704	5.27 - 6.00	344,081	216,627	127,454	-
Trade and other payables	36,024,512	-	36,024,512	36,024,512	-	-
	68,110,116		68,834,945	61,762,626	4,723,438	2,348,881

The maturity profile of the Company's financial liabilities as at the end of the reporting period comprise trade and other payables included in the Company's statement of financial position.

31. Financial instruments (continued)

31.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's financial position or cash flows.

31.6.1 Currency risk

The Group is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily U.S. Dollar (USD), Euro (EUR), Pound Sterling (GBP), Hong Kong Dollar (HKD) and Swedish Krona (SEK).

31. Financial instruments (continued)

31.6 Market risk (continued)

31.6.1 Currency risk (continued)

Exposure to foreign currency risk

The Group’s exposure to foreign currency (a currency which is other than the currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period was :

	Denominated in				
	USD RM	**EUR RM**	**GBP RM**	**HKD RM**	**SEK RM**
Group					
31.3.2013					
Trade receivables	5,069,777	1,847,201	1,213,419	-	58,140
Cash and cash equivalents	1,524,244	7,852,299	14,015,913	-	-
Foreign currency loans	(13,246,268)	-	-	(2,471,497)	-
Trade and other payables	(975,296)	(272,865)	(917,583)	-	-
	(7,627,543)	9,426,635	14,311,749	(2,471,497)	58,140

31. Financial instruments (continued)

31.6 Market risk (continued)

31.6.1 Currency risk (continued)

Exposure to foreign currency risk (continued)

	USD RM	EUR RM	GBP RM	HKD RM	SEK RM
Group					
31.3.2012					
Trade receivables	5,279,622	3,546,019	2,481,349	-	107,597
Cash and cash equivalents	2,224,051	6,752,502	8,259,152	-	-
Foreign currency loans	(13,416,238)	-	-	(3,026,095)	-
Trade and other payables	(1,367,174)	-	(31,337)	-	(27,101)
	(7,279,739)	10,298,521	10,709,164	(3,026,095)	80,496
1.4.2011					
Trade receivables	3,850,262	-	1,696,597	-	-
Cash and cash equivalents	4,355,005	3,503,374	38,959,958	-	-
Foreign currency loans	(14,390,451)	-	-	(2,159,995)	-
Trade and other payables	(2,121,305)	(861)	(459,438)	(2,051,013)	-
	(8,306,489)	3,502,513	40,197,117	(4,211,008)	-

31. Financial instruments (continued)

31.6 Market risk (continued)

31.6.1 Currency risk (continued)

Currency risk sensitivity analysis

A 10% strengthening of the RM against the following currencies at the end of the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact on forecast sales and purchases. There is no impact to equity arising from exposure to currency risk.

	Profit or loss	
	2013	**2012**
Group	**RM**	**RM**
USD	572,066	546,030
EUR	(706,998)	(772,789)
GBP	(1,073,381)	(802,757)
HKD	185,362	226,957
SEK	(4,360)	(6,037)

A 10% weakening of RM and EURO against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

31.6.2 Interest rate risk

The Group's fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risks that the value of a financial instrument will fluctuate due to changes in market interest rates. The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest-earning financial assets are mainly short term in nature and are mostly placed in short term deposits.

31. Financial instruments (continued)

31.6 Market risk (continued)

31.6.2 Interest rate risk (continued)

Exposure to interest rate risk

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was :

	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Fixed rate instruments			
Financial assets	19,610,572	5,170,502	44,189,964
Financial liabilities	(15,717,765)	(16,561,900)	(16,880,150)
	3,892,807	(11,391,398)	27,309,814
Floating rate instruments			
Financial assets	1,932,300	14,881,446	16,173,566
Financial liabilities	(2,349,497)	(6,714,101)	(15,205,454)
	(417,197)	8,167,345	968,112

(a) Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedged accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

(b) Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points (bp) in interest rates at the end of the reporting period would have increased/(decreased) pre-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remained constant.

	Profit or loss	
	100 bp increase RM'000	**100 bp decrease RM'000**
Group		
2013		
Floating rate instruments	(4)	4
2012		
Floating rate instruments	82	(82)

31. Financial instruments (continued)

31.7 Fair value of financial instruments

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

The fair values of other financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows :

	Carrying amount RM'000	Fair value RM'000
Group		
31.3.2012		
Finance lease liabilities	120	* 120
1.4.2011		
Forward currency contracts		
- Assets	667	667
Finance lease liabilities	329	*329

The following summarises the methods used in determining the fair value of financial instruments reflected in the above table.

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

* The fair value of these fixed interest financial instruments is determined by discounting the relevant cash flows using current interest rates for similar financial instruments at the end of reporting date. Since the current interest rates do not significantly differ from the intrinsic rate of these financial instruments, the fair value of these financial instruments therefore, closely approximate its carrying amounts at the end of reporting date.

31.7.1 Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows :

31. Financial instruments (continued)

31.7 Fair value of financial instruments (continued)

31.7.1 Fair value hierarchy (continued)

- Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 : Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 : Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group				
1.4.2011				
Financial assets				
Forward exchange contracts	-	667	-	667

32. Capital management

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business.

There were no changes in the Group's approach to capital management during the financial year.

33. Explanation of transition to MFRSs

As stated in Note 1(a), these are the first financial statements of the Group and of the Company prepared in accordance with MFRSs.

The accounting policies set out in Note 2 have been applied in preparing the financial statements of the Group and of the Company for the financial year ended 31 March 2013, the comparative information presented in these financial statements for the financial year ended 31 March 2012 and in the preparation of the opening MFRS statements of financial position at 1 April 2011 (the Group's date of transition to MFRSs).

In preparing the opening consolidated statement of financial position at 1 April 2011, the Group has adjusted amounts reported previously in financial statements prepared in accordance with previous FRSs. An explanation of how the transition from previous FRSs to MFRSs has affected the Group's financial position, is set out as follows:

33. Explanation of transition to MFRSs (continued)

33.1 Reconciliation of financial position (continued)

	Note	Group 1.4.2011 FRSs RM	Group 1.4.2011 Effect of Transition to MFRSs RM	Group 1.4.2011 MFRSs RM	Group 31.3.2012 FRSs RM	Group 31.3.2012 Effect of Transition to MFRSs RM	Group 31.3.2012 MFRSs RM
Assets							
Property, plant and equipment		90,153,204	-	90,153,204	89,188,693	-	89,188,693
Prepaid lease payments		1,717,329	-	1,717,329	1,678,454	-	1,678,454
Investment properties		1,959,766	-	1,959,766	1,909,168	-	1,909,168
Investment in associates	c	110,449,054	(2,128,696)	108,320,358	118,358,682	(2,048,444)	116,310,238
Goodwill on consolidation		30,234,456	-	30,234,456	30,234,456	-	30,234,456
Total non-current assets		234,513,809	(2,128,696)	232,385,113	241,369,453	(2,048,444)	239,321,009
Inventories		71,196,768	-	71,196,768	94,813,785	-	94,813,785
Trade and other receivables		47,296,313	-	47,296,313	63,691,674	-	63,691,674
Current tax assets		32,894	-	32,894	12,101	-	12,101
Cash and cash equivalents		80,862,647	-	80,862,647	57,142,508	-	57,142,508
Total current assets		199,388,622	-	199,388,622	215,660,068	-	215,660,068
Total assets		433,902,431	(2,128,696)	431,773,735	457,029,521	(2,048,444)	454,981,077

33. Explanation of transition to MFRSs (continued)

33.1 Reconciliation of financial position (continued)

	Note	Group 1.4.2011 FRSs RM	Group 1.4.2011 Effect of transition to MFRSs RM	Group 1.4.2011 MFRSs RM	Group 31.3.2012 FRSs RM	Group 31.3.2012 Effect of transition to MFRSs RM	Group 31.3.2012 MFRSs RM
Equity							
Share capital		115,506,930	-	115,506,930	116,025,730	-	116,025,730
Treasury shares		(1,504,391)	-	(1,504,391)	(1,843,042)	-	(1,843,042)
Share premium		16,245,612	-	16,245,612	17,678,517	-	17,678,517
Share option reserve		1,431,259	-	1,431,259	2,320,811	-	2,320,811
Translation reserve	b,c	(5,186,268)	5,186,268	-	(7,556,425)	5,185,666	(2,370,759)
Revaluation reserve	a	4,236,589	(4,236,589)	-	4,236,589	(4,236,589)	-
Retained earnings	d	215,165,343	(3,078,375)	212,086,968	240,144,540	(2,997,521)	237,147,019
Total equity attributable to owners of the Company		345,895,074	(2,128,696)	343,766,378	371,006,720	(2,048,444)	368,958,276
Liabilities							
Bank borrowings		6,807,097	-	6,807,097	2,258,401	-	2,258,401
Deferred tax liabilities		7,829,494	-	7,829,494	7,304,063	-	7,304,063
Total non-current liabilities		14,636,591	-	14,636,591	9,562,464	-	9,562,464
Trade and other payables		36,024,512	-	36,024,512	43,444,930	-	43,444,930
Bank borrowings		25,278,507	-	25,278,507	21,017,600	-	21,017,600
Current tax liabilities		1,571,204	-	1,571,204	2,747,717	-	2,747,717
Dividend payable		10,496,543	-	10,496,543	9,250,090	-	9,250,090
Total current liabilities		73,370,766	-	73,370,766	76,460,337	-	76,460,337
Total liabilities		88,007,357	-	88,007,357	86,022,801	-	86,022,801
Total equity and liabilities		433,902,431	(2,128,696)	431,773,735	457,029,521	(2,048,444)	454,981,077

33. Explanation of transition to MFRSs (continued)

33.2 Reconciliation of comprehensive income for the year ended 31 March 2012

	Note	FRSs RM	Group Effect of transition to MFRSs RM	MFRSs RM
Revenue		276,322,752		276,322,752
Cost of sales		(168,848,296)		(168,848,296)
Gross profit		107,474,456		107,474,456
Distribution costs		(11,333,878)		(11,333,878)
Administrative expenses		(48,941,397)		(48,941,397)
Other operating expenses		(1,935,837)		(1,935,837)
Other operating income		3,680,661		3,680,661
Results from operating activities		48,944,005		48,944,005
Share of profits after tax of equity accounted associate	c	8,900,466	80,854	8,981,320
Finance costs		(720,635)		(720,635)
Profit before tax		57,123,836		57,204,690
Income tax expense		(8,481,592)		(8,481,592)
Profit for the year		48,642,244		48,723,098
Other comprehensive income, net of tax				
Foreign exchange translation differences from foreign operations		(2,608,503)		(2,608,503)
Share of other comprehensive income of equity accounted associate	c	238,346	(602)	237,744
Total other comprehensive expense for the year		(2,370,157)		(2,370,759)
Total comprehensive income for the year		46,272,087		46,352,339

33.3 Material adjustments to the statements of cash flows for 2012

There are no material differences between the statement of cash flows presented under MFRSs and the statement of cash flows presented under FRSs.

33. Explanation of transition to MFRSs (continued)

33.4 Notes to reconciliation

(a) Property, plant and equipment - Deemed cost exemption - previous revaluation

Under FRSs, the Group had availed itself to the transitional provision when the MASB first adopted IAS 16, *Property, Plant and Equipment* in 1998. Certain freehold land and buildings were revalued in May 1994 and no later valuation has been recorded for these property, plant and equipment (except in the case of impairment adjustments based on valuation).

Upon transition to MFRSs, the Group elected to apply the optional exemption to use that previous revaluation as deemed cost under MFRSs. The revaluation reserve of RM4,236,589 at 1 April 2011 and 31 March 2012 was reclassified to retained earnings.

The impact arising from the change is summarised as follows:

	1.4.2011 RM	**31.3.2012 RM**
Consolidated statement of financial position		
Revaluation reserve	(4,236,589)	(4,236,589)
Adjustment to retained earnings	4,236,589	4,236,589

(b) Foreign currency translation differences

Under FRSs, the Group recognised foreign currency translation differences in other comprehensive income and accumulated the amount in the translation reserve in equity.

Upon transition to MFRSs, the Group has elected to deem all foreign currency translation differences that arose prior to the date of transition in respect of all foreign operations to be Nil at the date of transition.

	1.4.2011 RM	**31.3.2012 RM**
Consolidated statement of financial position		
Translation reserve	5,186,268	5,186,268
Adjustment to retained earnings	(5,186,268)	(5,186,268)

33. Explanation of transition to MFRSs (continued)

33.4 Notes to reconciliation (continued)

(c) Transition to MFRS in an associate of the Group

In the previous years, the financial statements of an associate of the Group, which the Group equity accounted for, have been prepared in accordance with FRSs. Upon transition from FRSs to MFRSs, the associate has adjusted amounts reported previously in the financial statements prepared in accordance with previous FRSs. The effect of the transition from previous FRSs to MFRSs of the associate on the Group's financial statements is summarized as below :

	1.4.2011 RM	31.3.2012 RM
Consolidated statement of financial position		
Investment in associate	(2,128,696)	(2,048,444)
Translation reserve	-	602
Adjustment to retained earnings	2,128,696	2,047,842
Consolidated statement of comprehensive income		
Share of profits after tax of equity accounted associate	-	80,854
Share of other comprehensive income of equity accounted associate	-	(602)
Adjustment to other comprehensive income	-	80,252

(d) Retained earnings

The changes that affected the retained earnings are as follows:

	1.4.2011 RM	31.3.2012 RM
Revaluation reserve	(4,236,589)	(4,236,589)
Translation reserve	5,186,268	5,186,268
Investment in associates	2,128,696	2,047,842
Decrease in retained earnings	3,078,375	2,997,521

34. Supplementary information on the breakdown of realised and unrealised profits or losses

The breakdown of the retained earnings of the Group and of the Company as at reporting date, into realised and unrealised profits, pursuant to paragraph 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements, are as follows :

	Group		Company	
	2013	**2012**	**2013**	**2012**
	RM	**RM**	**RM**	**RM**
Total retained earnings :				
- Realised	226,427,613	204,329,662	21,257,348	20,109,226
- Unrealised	(10,251,632)	(8,034,610)	(292,391)	(24,524)
	216,175,981	196,295,052	20,964,957	20,084,702
Share of retained earnings of jointly controlled entity				
- realised	26,139,087	22,822,304	-	-
- unrealised	1,721,773	2,537,083	-	-
	244,036,841	221,654,439	20,964,957	20,084,702
Add : Consolidation adjustments	10,089,361	15,492,580	-	-
Total retained earnings at 31 March	254,126,202	237,147,019	20,964,957	20,084,702

The determination of realised and unrealised profits is based on the Guidance of Special Matter No. 1, *Determination of Realised and Unrealised Profit or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by Malaysian Institute of Accountants on 20 December 2010.

Asia File Corporation Bhd.
(Company No. 313192 P)
(Incorporated in Malaysia)
and its subsidiaries

Statement by Directors pursuant to Section 169(15) of the Companies Act, 1965

In the opinion of the Directors, the financial statements set out on pages 9 to 95 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 March 2013 and of their financial performance and cash flows for the financial year then ended.

In the opinion of the Directors, the information set out in Note 34 on Page 96 to the financial statements has been compiled in accordance with the Guidance on Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors :

…………………………………..
Lim Soon Huat

…………………………………..
Lim Soon Wah

Penang,

Date : 31 July 2013

Asia File Corporation Bhd.
(Company No. 313192 P)
(Incorporated in Malaysia)
and its subsidiaries

Statutory declaration pursuant to Section 169(16) of the Companies Act, 1965

I, **Goh Phaik Ngoh**, the officer primarily responsible for the financial management of Asia File Corporation Bhd., do solemnly and sincerely declare that the financial statements set out on pages 9 to 96 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed at Georgetown in the State of Penang on 31 July 2013.

…………………….…………..
Goh Phaik Ngoh

Before me :

Chan Kam Chee (No. P120)
Pesuruhjaya Sumpah
(Commissioner for Oaths)
Penang

Independent auditors' report to the members of Asia File Corporation Bhd.

(Company No. 313192 P)
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Asia File Corporation Bhd., which comprise the statements of financial position as at 31 March 2013 of the Group and of the Company, and the statements of comprehensive income, changes in equity and cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 9 to 95.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Company No. 313192 P

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 March 2013 and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following :

a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

b) We have considered the accounts and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 6 to the financial statements.

c) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

d) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Reporting Responsibilities

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The information set out in Note 34 on page 96 to the financial statements has been compiled by the Company as required by the Bursa Malaysia Securities Berhad Listing Requirements and is not required by the Malaysian Financial Reporting Standards or International Financial Reporting Standards. We have extended our audit procedures to report on the process of compilation of such information. In our opinion, the information has been properly compiled, in all material respects, in accordance with the Guidance on Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Company No. 313192 P

Other Matters

As stated in Note 1(a) to the financial statements, Asia File Corporation Bhd. adopted Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS") on 1 April 2012 with a transition date of 1 April 2011. These standards were applied retrospectively by Directors to the comparative information in these financial statements, including the statements of financial position as at 31 March 2012 and 1 April 2011, and the statements of comprehensive income, changes in equity and cash flows for the year ended 31 March 2012 and related disclosures. We were not engaged to report on the comparative information that is prepared in accordance with MFRS and IFRS, and hence it is unaudited. Our responsibilities as part of our audit of the financial statements of the Group and of the Company for the year ended 31 March 2013 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 April 2012 do not contain misstatements that materially affect the financial position as of 31 March 2013 and financial performance and cash flows for the year then ended.

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG
AF 0758
Chartered Accountants

Ooi Kok Seng
2432/05/15 (J)
Chartered Accountant

Date : 31 July 2013

Penang