

Company : ASIA-FILE CORPORATION BHD ((313192-P)  
 Stock Name : ASIAFLE  
 Stock Code : 7129  
 Type : GENERAL ANNOUNCEMENT  
 Subject : NON RELATED PARTY TRANSACTION  
 INVESTMENT IN AUTO-CALLABLE EQUITY-LINKED INVESTMENT

## 1. The Investment

Asia File Corporation Bhd ("AFC" or "the Company") wishes to announce further investment totalling RM35 million into Auto-callable Equity-Linked Investment ("the Investment"), a structured investment product issued by Maybank Investment Bank Berhad ("Maybank IB") and CIMB Bank Berhad ("CIMB Bank").

The Investment pays a regular coupon and can potentially be early redeemed or redeemed in shares rather than cash at maturity depending on the performance of the underlying shares.

Date	Amount (RM)	% ratio	Type of Investment	Issuer	Underlying Shares
15-Sep-17	15,000,000	2.69	Auto-callable Equity-Linked Investment	Maybank IB	China Mobile Ltd
18-Sep-17	10,000,000	1.79			Vipshop Holdings Ltd
09-Oct-17	10,000,000	1.79		CIMB Bank	China Telecom Corp Ltd

The Investment is part of AFC's core strategy to maximize return on assets held by the Group (herein referred to AFC and its subsidiaries on collective basis) taking into consideration the potential return and level of risk associated with the Investment.

The purchase consideration was satisfied in cash. The source of funding to finance the transaction was derived from internally generated funds. The Investment will not materially affect the Group's earnings, net tangible assets and gearing for the financial year ending 31 March 2018. It will have no effect on the issued share capital and substantial shareholders' holding in AFC as no new shares will be issued pursuant to the Investment.

None of the Directors and/or major shareholders and/or persons connected with a Director and/or major shareholder has any interest, direct or indirect, in the above transactions.

As the Investment is entered into with licensed investment banks and the underlying shares are in relation to reputable international companies with proven track record, the Board of the Directors is of the view that the investment risk is minimal.

The highest percentage ratio applicable to the Investment, on cumulative basis, in accordance with paragraph 10.02(g) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, is 6.27%.

The Investment is not subject to the approval of AFC' shareholders.

After taking into consideration the pertinent facts and level of risk associated with the Investment, the Board of Directors of AFC is of the opinion that the Investment is in the best interest of the AFC.

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## 2. Background information on the Investment

### (A) Definition:

- (i) Observed Reference Asset Price : Official closing price of Underlying Reference Asset on Observation Date
- (ii) Final Reference Asset Price : Official closing price of Underlying Reference Asset on Maturity Date
- (iii) Shares amount : Number of shares of Underlying Reference Assets
- (iv) Calculation of shares amount : 
$$\frac{\text{Investment Amount}}{\text{Foreign exchange rate at Maturity Date} \times \text{Strike Price}}$$

### (B) Salient background information of the Investments

Description	Transaction (1)	Transaction (2)	Transaction (3)
Issuer	Maybank IB		CIMB IB
Trade Date	15-Sep-17	18-Sep-17	09-Oct-17
Maturity Date	17-Sep-18	18-Sep-18	09-Oct-18
Underlying Reference Assets	941: HK (China Mobile Ltd)	VIPS US Equity (Vipshop Holdings Ltd)	728: HK (China Telecom Corp Ltd)
Strike Price (HKD)	81.5	10.11	4.025
Autocall Price (HKD)	88.02	11.121	4.347
(108%   110%   108% of Strike Price)			
Knock-In-Price (HKD)	68.46	5.5605	3.2603
(84%   55%   81% of Initial Strike Price)			
Investment Amount	RM15,000,000	RM10,000,000	RM10,000,000
Coupon Rate	8.52%	12.75%	9% pa
Settlement Currency	MYR	MYR	MYR

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**(C) The relevant Autocall and Knock-in Observation Dates as well as Coupon Payment Dates are as tabulated**

No.	Transaction (1)		Transaction (2)		Transaction (3)	
	Autocall   Knock-In Observation Dates	Coupon Payment Dates	Autocall   Knock-In Observation Dates	Coupon Payment Dates	Autocall   Knock-In Observation Dates	Coupon Payment Dates
1	16-Oct-17	20-Oct-17	18-Oct-17	23-Oct-17	9-Nov-17	14-Nov-17
2	15-Nov-17	20-Nov-17	20-Nov-17	23-Nov-17	11-Dec-17	14-Dec-17
3	15-Dec-17	20-Dec-17	18-Dec-17	21-Dec-17	9-Jan-18	12-Jan-18
4	15-Jan-18	18-Jan-18	18-Jan-18	23-Jan-18	9-Feb-18	14-Feb-18
5	20-Feb-18	23-Feb-18	20-Feb-18	23-Feb-18	9-Mar-18	14-Mar-18
6	15-Mar-18	20-Mar-18	19-Mar-18	22-Mar-18	9-Apr-18	12-Apr-18
7	16-Apr-18	19-Apr-18	18-Apr-18	23-Apr-18	9-May-18	14-May-18
8	15-May-18	18-May-18	18-May-18	23-May-18	11-Jun-18	14-Jun-18
9	15-Jun-18	20-Jun-18	18-Jun-18	21-Jun-18	9-Jul-18	12-Jul-18
10	16-Jul-18	19-Jul-18	18-Jul-18	23-Jul-18	9-Aug-18	14-Aug-18
11	15-Aug-18	20-Aug-18	20-Aug-18	24-Aug-18	10-Sep-18	14-Sep-18
12	17-Sep-18	20-Sep-18	18-Sep-18	21-Sep-18	9-Oct-18	12-Oct-18

**(D) In any case that the following events happened**

No.	Event	Description	Impact to AFC
1.	Autocall	<p>Observed <math>\geq</math> Autocall Reference Asset Price</p> <p>on any Autocall Observation Date</p>	<p>The Investment will auto-terminate on Coupon Payment Date immediately following the Autocall Observation Date.</p> <p>AFC will receive the outstanding Investment Amount and relevant Coupon Rate on the Coupon Payment Date immediately following the Autocall Observation Date.</p> <p>There will be no further payment of Coupons thereafter.</p>

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No.	Event	Description	Impact to AFC
2.	Knock-In	<p><b>No Autocall event has occurred and transaction has not been early terminated by Maturity Date</b></p> <p><b>(a) Knock-In Event <u>has</u> occurred</b></p> <p>Observed      &lt;      Knock-In Reference      Price Asset Price</p> <p>on any Knock-In Observation Date</p> <p>(i)      Final      ≥      Strike Reference      Price Asset Price</p> <p>(ii)      Final      &lt;      Strike Reference      Price Asset Price</p> <p><b>(b) Knock-In Event <u>has not</u> occurred</b></p> <p>Observed      ≥      Knock-In Price Reference Asset Price</p> <p>on any Knock-In Observation Date</p>	<p>Issuer will redeem the Investment by paying the Investment Amount in cash in Settlement Currency to AFC.</p> <p>Issuer will deliver Shares Amount or pay Cash Equivalent Amount to AFC.</p> <p>Issuer will redeem the Investment by paying the Investment Amount in cash in Settlement Currency to AFC.</p>
3.	Early redemption (other than by Autocall Event)	AFC may seek early redemption prior to the Maturity Date.	This is at the discretion of Issuer and subject to conditions.

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No.	Event	Description	Impact to AFC
4.	Early redemption (other than by Autocall Event)	Issuer is entitled to redeem the Investment at any time prior to the Maturity Date upon 5-Business Day written notice to AFC.	The amount receivable by AFC in respect of this early redemption shall be the higher of the Investment Amount or the value of the Investment on the Early Redemption Date less all unwinding costs

### 3. Background information on the Underlying Reference Assets

The Underlying Reference Asset are blue-chip companies listed on The Hong Kong Stock Exchange (“HKEX” or “Stock Exchange”) and the New York Stock Exchange (“NYSE”) as applicable.

#### China Mobile Ltd (Bloomberg code: 941 HK)

China Mobile Limited (“ChinaM”, and together with its subsidiaries, the “Group”) was incorporated in Hong Kong on 3 September 1997. It was listed on the NYSE and The Stock Exchange of Hong Kong Limited (now known as HKEX)<sup>1</sup> on 22 October 1997 and 23 October 1997, respectively. ChinaM was admitted as a constituent stock of the Hang Seng Index in Hong Kong on 27 January 1998.

As the leading telecommunications services provider in Mainland China, the Group provides full communications services in all 31 provinces, autonomous regions and directly-administered municipalities throughout Mainland China and in Hong Kong Special Administrative Region, and boasts the world’s largest mobile network and the world’s largest mobile customer base. Its businesses primarily consist of mobile voice and data business, wireline broadband and other information and communications services.

As of 31 December 2016, the Group had a total of 460,647 employees, 849 million mobile customers and 77.62 million wireline broadband customers with its annual revenue exceeding RMB700 billion. Its ultimate controlling shareholder is China Mobile Communications Corporation. In 2016, ChinaM was once again selected as one of “The World’s 2,000 Biggest Public Companies” by Forbes magazine, and recognized again on the Dow Jones Sustainability Emerging Markets Index.

Currently, ChinaM’s corporate credit ratings are equivalent to China’s sovereign credit ratings, namely, AA–/Outlook Negative from Standard & Poor’s and Aa3/Outlook Negative from Moody’s.

<sup>1</sup> Refer link: [http://www.hkexgroup.com/About-HKEX/Company-Information/About-HKEX/History-of-HKEX-and-its-Market?sc\\_lang=en](http://www.hkexgroup.com/About-HKEX/Company-Information/About-HKEX/History-of-HKEX-and-its-Market?sc_lang=en)

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As at 9 October 2017, its 52-week stock price range on the HKEX from a low HKD 75.18 to a high of HKD 97.50. ChinaM's net asset value, net profit and earnings per share as at FY16 was RMB 979.02 billion, RMB 108.74 billion and RMB 5.3109.

### **Vipshop Holdings Ltd (Bloomberg code: VIPS: US EQUITY)**

Vipshop Holdings Ltd ("Vipshop") operates as an online discount retailer for brands in China. It conducts its business through its subsidiaries and consolidated affiliated entities in China. In 2016, Vipshop acquired 100% of equity interest in Zhejiang Vipshop Payment Co., Ltd., which is a third-party payment service provider. Vipshop offers branded products to consumers in China through flash sales primarily on its Vipshop Online Platform.

It has 257.8 million registered members and approximately 80 million cumulative customers as of December 31, 2016. Vipshop is a preferred online flash sales channel in China for domestic and international brands. As of 31 December 2016, the company had the rights to sell selected products from a cumulative of approximately 2,282 brands. As of 31 December 2016, Vipshop offers product offerings from approximately 20,000 domestic and international brands, including apparel for women, men and children, handbags and shoes, cosmetics, maternal and baby products, home goods and other lifestyle products.

As at 9 October 2017, its 52-week stock price range on the NYSE from a low USD 8.16 to a high of USD 16.01. Vipshop's net asset value, net profit and earnings per share as at FY16 was USD 832.75 million, USD 293.36 million and USD 2.53.

### **China Telecom Corp Ltd (Bloomberg code: 728 HK)**

China Telecom Corporation Ltd.'s ("China Telecom") is one of the world's largest and leading integrated information service operators, providing wireline and mobile telecommunications services, Internet access services, information services and other value-added telecommunications services primarily in the People's Republic of China ("PRC"). As of December 31, 2016, it had approximately 127 million wireline access lines in service; 123 million wireline broadband subscribers; and 215 million mobile subscribers. The company was incorporated in 2002 and is based in Beijing, the People's Republic of China. China Telecom Corporation Limited is a subsidiary of China Telecommunications Corporation.

As at 9 October 2017, its 52-week stock price range on the HKEX from a low HKD 3.53 to a high of HKD 4.18.

The parent and ultimate holding company of China Telecom is China Telecommunications Corporation, a state-owned enterprise established in the PRC. China Telecom's net asset value, net profit and earnings per share as at FY16 was RMB 315.32 billion, RMB 18 billion and RMB 0.2225.

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#### **4. Current Outstanding Investment in Auto-Callable Equity-Linked Structured Product**

The Group's current outstanding investment in Auto-Callable Equity-Linked Structured Product amounted to RM 45,000,000.

This announcement is dated 10 October 2017.