

ASIA FILE CORPORATION BHD (313192-P)

Quarterly report on consolidated results for the third quarter ended 31 December 2001.

The figures have not been audited

CONSOLIDATED INCOME STATEMENT

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31-12-01 RM'000	Preceding year Corresponding Quarter 31-12-00 RM'000	Current Year to Date 31-12-01 RM'000	Preceding year Corresponding Period 31-12-00 RM'000
1 a) Revenue	20,117	20,002	60,486	62,063
b) Investment Income	-	-		
c) Other Income including interest income	266	266	958	959
2 a) Profit/(loss) before finance cost, depreciation and amortisation, exceptional items, income tax, minority interests and extraordinary items	7,020	7,159	20,062	21,241
b) Finance cost	(1)	(2)	(1)	(2)
c) Depreciation and amortisation	(1,192)	(1,037)	(3,277)	(2,907)
d) Exceptional items	-	-	-	-
e) Profit/(loss) before income tax, minority interests and extraordinary items.	5,827	6,120	16,784	18,332
f) Share of profits and losses of associated companies	-	-	-	-
g) Profit/(loss) before income tax, minority interests and extraordinary items.	5,827	6,120	16,784	18,332
h) Income tax	(1,028)	(1,399)	(4,121)	(4,897)
l) i) Profit/(loss) after income tax before deducting minority interest.	4,799	4,721	12,663	13,435
ii) Less minority interests	-	-	-	-
j) Pre-acquisition profit/(loss), if applicable				
k) Net profit(loss) from ordinary activities attributable to members of the company.	4,799	4,721	12,663	13,435
l) i) Extraordinary Items				
ii) Less minority interest				
iii) Extraordinary items attributable to members of the company				
m) Net profit(loss) attributable to members of the company	4,799	4,721	12,663	13,435
3 a) Earning per share based on 2(m) above after deducting any provisions for preference dividends, if any :-				
l) Basic (based on 66,687,200 (2001:65,182,284) ordinary shares) (sen)	7.20	7.24	18.99	20.61
ii) Fully diluted (based on 67,330,998 (2001:67,626,789) ordinary shares)(sen)	7.13	6.98	18.81	19.87

NOTES TO THE QUARTERLY REPORT FOR THE QUARTER ENDED 31 December 2001

1 ACCOUNTING POLICIES

The same accounting policies and methods of computations are followed in the quarterly financial statements as compared with the most recent financial statement.

The quarterly financial statements are prepared under the historical cost convention as modified by the revaluation of certain property and in compliance with applicable approved accounting standards in Malaysia.

2 EXCEPTIONAL ITEMS

There was no exceptional item for the current quarter and financial year to date.

3 EXTRAORDINARY ITEMS

There was no extraordinary item for the current quarter and financial year to date.

4 TAXATION

Current year tax expense

- based on results for the year	3,780
- Over provision in respect of prior year	(60)
	3,720

Deferred tax expense

- current year	401
	401
	<u>4,121</u>

The lower tax rate in relation to the results of the Group is mainly due to availability of certain tax incentives.

5 PROFIT/ LOSS ON SALE OF UNQUOTED SECURITIES

There was no sales of unquoted investments and/or properties respectively for the current quarter and financial year to date.

6 PURCHASE OR DISPOSAL OF QUOTED SECURITIES

There was no purchase or disposal of quoted securities for the current quarter and financial year to date.

7 CHANGES IN THE COMPOSITION OF THE GROUP

None

8 STATUS OF CORPORATE PROPOSAL

None

9 DETAILS OF ISSUANCES AND REPAYMENTS OF DEBT AND EQUITY SECURITIES

A total of 14,000 ordinary shares were issued pursuant to the Employee Share Option Scheme during the quarter.

Subsequent to the quarterly closing, a total of 492,000 shares of Asia File Corporation Bhd was purchased and retained as treasury shares pursuant to the Shares Buy Back scheme.

10 GROUP BORROWINGS AND DEBT SECURITIES

Group borrowings relate to short term unsecured bank overdraft.

11 CONTINGENT LIABILITIES

As at to date, the Group does not have any contingent liabilities

12 LEASE COMMITMENT

One of its subsidiaries has entered into a rental lease commitment as follows :-

	RM'000
Less Than one year	573
One to two years	573
Above two years	7,214

13 OFF BALANCE SHEET FINANCIAL INSTRUMENTS

During the period under review, the Group has not entered into any contract involving off balance sheet financial instruments except for the following foreign currency contracts which will be used to hedge the Group's committed purchases in foreign currencies :-

Currency	Contract Amount ('000)	Equivalent in RM (000)	Contract Due on
EURO	45	151	Feb-02
	204	681	Mar-02
	140	468	Apr-02
	179	593	May-02
Total	<u>568</u>	<u>1893</u>	

14 MATERIAL LITIGATION

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

15 SEGMENTAL REPORTING

No segment reporting has been prepared as the Group's activities involved only one sector of operation which is carried out principally in Malaysia.

16 COMPARISON OF PROFIT BEFORE TAXATION WITH PRECEDING QUARTER

Profit for the quarter dropped by 12% as compared to the preceding quarter. The drop is due to a slower sales during the quarter as customers were reluctant to stock up near the festival seasons of Christmas and Hari Raya. Partial production activities during the quarter was intended for customer delivery in January 2002.

17 REVIEW OF PERFORMANCE

Turnover for the quarter increased by 0.6% while profit before tax decreased by RM 293k when compared to the corresponding quarter in the preceding year. The reason for the drop in profit before tax was mainly due to additional costs incurred in the final development and production trial run of the Group's new product i.e "Paperex" material meant for stationery industry and other industrial uses. Profit after tax for the quarter recorded an improvement of 1.6% over the preceding year due to availability of certain tax incentives arising from investment of machineries by the Group. On cumulative basis, turnover and profit before tax dropped by 2.5% and 8.4% respectively when compared to the corresponding period last year. The drop on overall performance for the nine months' period was mainly due to the drop registered in the first quarter ended 30 June 2001.

18 MATERIAL EVENTS SUBSEQUENT TO THE END OF THE QUARTER

There were no material events subsequent to the end of the quarter.

19 SEASONALITY OR CYCLICALITY OF OPERATIONS

The operation of the Group is not subject to any effects of seasonality or cyclicity

20 GROUP'S PROSPECTS

As stated in Note 17 above, the major drop in the Group's overall performance was due to its weaker performance in the first quarter. However, for the second and third quarter during the period, the Group has managed to improve its performance. Based on the financial results and orders on hand to date, next quarter is poised to surpass the performance of all its previous quarters to become the best performing quarter for the year. In view of the above, the Group is confident of achieving a better result for its financial year ending 31 March 2002 as compared to last year.

21 PROFIT FORECAST OR PROFIT GUARANTEE

Not applicable for this quarter.

22 DIVIDEND

After taking into consideration the cash flow requirement for the Group and the net cash balance position of more than RM 22 million, the Group has decided to recommend an interim tax exempt dividend of 4% totalling RM 2667,928 for the quarter under review and financial year to date (previous corresponding quarter : Nil). The dividend will be paid at a date to be determined later.

By Order of The Board
Lam Voon Kean

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

CONSOLIDATED BALANCE SHEET

	As at End of Current Quarter 31-12-01 RM'000		As at Preceding Financial Year End 31-03-01 RM'000	
Property, plant and equipment	44,512		40,150	
Investment in Associated Companies	894		894	
Long Term Investments	3,709		3,709	
		49,115		44,753
Current Assets				
Inventories	25,453		19,526	
Trade receivables	23,085		24,802	
Short Term Investments	604		2,208	
Cash	22,779		19,925	
Other debtors and prepayments	1,053		1,158	
		72,974		67,619
Current Liabilities				
Trade payables	4,834		5,200	
Other payables and accruals	5,642		4,530	
Short Term Borrowings	476		101	
Dividend Payable	2,668		-	
Provision for Taxation	2,165		2,693	
		15,785		12,524
Net Current assets or Current Liabilities				
		57,189		55,095
Shareholders' Funds		106,304		99,848
Share Capital	66,698		66,680	
Reserves				
Share Premium	1,919		1,897	
Exchange Fluctuation Reserves	329		308	
Retained Profits	34,065		28,071	
		103,011		96,956
Minority Interests				
Long Term Borrowings				
Other Long Term Borrowings (Deferred Taxation)		3,293		2892
		106,304		99,848
Net Tangible assets Per Share (sen)		154.44		145.40