

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

CONDENSED CONSOLIDATED BALANCE SHEETS
AS AT 30 September 2003

	As at End of Current Quarter 30-09-03 (Unaudited)		As at Preceding Financial Year End 31-03-03 (Audited) (As restated)	
	RM'000		RM'000	
Property, Plant and Equipment	41,329		42,272	
Intangible Assets	-		-	
Investment in Associated Companies	901		894	
Other Investments	<u>15,549</u>		<u>7,601</u>	
		57,779		50,767
Current Assets				
Inventories	27,498		26,269	
Trade and other receivables	23,465		23,320	
Cash and Cash Equivalents	<u>39,673</u>		<u>34,851</u>	
		90,636		84,440
Current Liabilities				
Trade and other payables	7,965		6,372	
Bank overdrafts	121		110	
Taxation	3,033		2,816	
Dividend Payable	<u>7,679</u>		<u>3,378</u>	
		18,798		12,676
Net Current assets		<u>71,838</u>		<u>71,764</u>
		<u>129,617</u>		<u>122,531</u>
Share Capital	68,355		67,781	
Treasury Shares	<u>(1,716)</u>	66,639	<u>(1,705)</u>	66,076
Reserves	57,637		51,292	
Shareholders' Fund		124,276		117,368
Minority Interests		-		-
Long Term Borrowings		-		-
Deferred Taxation		5,341		5,163
		<u>129,617</u>		<u>122,531</u>
Net Tangible assets Per Share (sen)		183.20		174.49

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 31st March 2003.

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

Quarterly report on consolidated results for the financial quarter ended 30 September 2003.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2003

	Individual Quarter		Cumulative Quarter	
	Current Quarter 30-09-03 RM'000	Preceding year Corresponding Quarter 30-09-02 RM'000	Current Year to Date 30-09-03 RM'000	Preceding year Corresponding Period 30-09-02 RM'000
Revenue	24,313	23,882	47,149	44,735
Operating Expenses	(17,665)	(17,973)	(34,478)	(33,264)
Other Operating Income	726	684	1,701	1,202
Profit from Operations	7,374	6,593	14,372	12,673
Finance cost	-	-	-	-
Investing Results	842	413	1,479	604
Shares of profit of associates	-	-	824	-
Profit before tax	8,216	7,006	16,675	13,277
Taxation	(1,281)	(1,644)	(3,305)	(3,262)
Profit after tax	6,935	5,362	13,370	10,015
Minority Interest	-	-	-	-
Net Profit for the period	6,935	5,362	13,370	10,015
I) Basic earnings per ordinary share (sen)	10.24	7.98	19.76	14.91
ii) Fully diluted earnings per ordinary share (sen)	10.06	7.82	19.44	14.61

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31st March 2003.

ASIA FILE CORPORATION BHD. (313192-P)
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR SIX MONTH PERIOD ENDED 30 SEPTEMBER 2003

	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Exchange Fluctuation Reserve RM'000	Retained Profits RM'000	Total RM'000
6 month period ended 30 September 2003						
At 1 April 2003 as previously stated	67,781	(1,705)	3,300	120	49,057	118,553
Prior year adjustment (Note A1)	-	-	-	-	(1,185)	(1,185)
At 1 April 2003 as restated	67,781	(1,705)	3,300	120	47,872	117,368
Net profit for the period	-	-	-	-	13,370	13,370
Purchase of own shares	-	(11)	-	-	-	(11)
Issue of shares: - under ESOS	574	-	762	-	-	1,336
Currency translation differences, representing net losses not recognised in the income statement	-	-	-	(108)	-	(108)
Dividends	-	-	-	-	(7,679)	(7,679)
At 30 September 2003	68,355	(1,716)	4,062	12	53,563	124,276
6 month period ended 30 September 2002						
At 1 April 2002	66,766	(1,602)	2,004	339	38,184	105,691
Prior year adjustment (Note A1)	-	-	-	-	(1,185)	(1,185)
	66,766	(1,602)	2,004	339	36,999	104,506
Net profit for the period	-	-	-	-	10,015	10,015
Issue of shares: - under ESOS	775	-	988	-	-	1,763
Currency translation differences, representing net losses not recognised in the income statement	-	-	-	(186)	-	(186)
Dividends	-	-	-	-	(6,919)	(6,919)
At 30 September 2002	67,541	(1,602)	2,992	153	40,095	109,179

The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Annual Financial Report for the year ended 31st March 2003.

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

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR SIX MONTH PERIOD ENDED 30 SEPTEMBER 2003

	6 Month ended 30-Sep-03 RM'000	6 Month ended 30-Sep-02 RM'000
Net Profit before tax	16,675	13,277
Adjustment for non-cash flow:		
Non-cash items	761	2,099
Non-operating items	(2,303)	(696)
Operating profit before changes in working capital	15,133	14,680
Changes in working capital		
Net Change in current assets	(308)	(6,030)
Net Change in current liabilities	(1,857)	109
Net cash flows from operating activities	12,968	8,759
Investing activities		
Equity investments	584	(1,991)
Other investments	(7,670)	(3,794)
	(7,086)	(5,785)
Financing activities		
Dividend paid	(3,378)	(2,653)
Purchase of own shares	(11)	-
Proceed from issue of shares	1,336	1,763
	(2,053)	(890)
Net Change in Cash & Cash Equivalents	3,829	2,084
Cash & Cash Equivalents at beginning of period	34,741	32,272
Effects of exchange rates on Cash & Cash Equivalents	982	291
Cash & Cash Equivalent at end of period	39,552	34,647

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 31st March 2003.

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

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2003

A EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT - MASB 26

A1 Basis of preparation

The interim financial report is unaudited and has been prepared in compliance with MASB 26 "Interim Financial Reporting" and Paragraph 9.22 of the Listing Requirements of Kuala Lumpur Stock Exchange.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 March 2003.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the annual financial statements for the year ended 31 March 2003, except for the adoption of MASB 25, MASB 27 to MASB 29, which became effective for the financial year ending 31 March 2004 for the Group. The adoption of MASB 27 to MASB 29 have not given rise to any adjustments to the opening balances of retained profits of the prior year and the current period or to changes in comparatives. The changes and effects of adopting MASB 25 which resulted in prior year adjustments are as follows:

(a) Changes in Accounting Policy

MASB 25: Income Taxes

Under MASB 25, deferred tax liabilities are recognised for all taxable temporary differences. Previously, deferred tax liabilities were provided for on account of timing differences only to the extent that a tax liability was expected to materialise in the foreseeable future.

(b) Prior Year Adjustments

The changes in accounting policy have been applied retrospectively and comparatives have been restated. The effects of changes in accounting policy comprising the adjustment for the provision for deferred taxation on revalued land and buildings are as follows:

	Effects on	
	Retained Profits	Deferred Taxation
	RM'000	RM'000
At 1 April 2003, as previously stated	49,057	3,978
Effects of adopting MASB 25	(1,185)	1,185
At 1 April 2003, as restated	47,872	5,163

A2 Audit report of preceding annual financial statements

The audit report of the Group's annual financial statements for the year ended 31 March 2003 was not subject to any qualification.

A3 Seasonal or cyclical factors

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

A4 Unusual items

There were no unusual items that have a material effect on the assets, liabilities, equity, net income or cashflow reported in the interim financial report.

A5 Material changes in accounting estimates

There were no changes in accounting estimates of amounts reported in prior financial years.

A6 Issuance or repayment of debts and equity securities

198,400 and 574,200 ordinary shares were issued pursuant to the Employee Share Option Scheme during the quarter and financial year to date.

A total of 2,000 shares of Asia File Corporation Bhd was purchased and retained as treasury shares pursuant to the Shares Buy Back Scheme for the current quarter and financial year to date.

Subsequent to the financial period ended 30 September 2003, a total of 73,500 shares of Asia File Corporation Bhd was purchased and retained as treasury shares pursuant to the Shares Buy Back scheme. Accordingly, a total of 591,500 shares was retained as treasury shares subsequent to the quarter ended 30 September 2003.

Other than the above, there were no issuances or repayment of debts and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current quarter and financial year to date.

A7 Dividend**(a) In respect of the financial year ending 31 March 2004**

No dividend was declared during the current financial quarter and financial year to date.

(b) In respect of the financial year ended 31 March 2003

An interim tax exempt dividend of 5% on 67,565,800 ordinary shares of RM1 each totalling RM3,378,290 for the financial year ended 31 March 2003 (2002: 4% on 66,327,600 ordinary shares of RM1 each totalling RM2,653,104) was paid on 26 May 2003.

At the Annual General Meeting held on 30 September 2003, the shareholders of Asia File Corporation Bhd had approved a final tax exempt dividend of 7% (2002: 6%) and a special dividend of 6% (2002: 6%) less 28% tax amounting to RM 7,679,171 (2002: RM6,930,850). The dividend will be paid on 24 December 2003.

A8 Segment information**Business segment**

The Group is principally involved in the manufacture and trading of stationery products. Business segmental information has therefore not been prepared as the Group's revenue, operating profit, assets employed, liabilities, capital expenditure, depreciation and amortisation as well as non-cash expenses are mainly confined to one business segment.

A9 Valuations of property, plant and equipment

The valuations of land and buildings have been brought forward without amendment from the previous annual report.

A10 Material events subsequent to the end of the quarter

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

A11 Changes in composition of the Group

There were no changes in the composition of the Group for the current financial year to date.

A12 Changes in contingent liabilities/assets

Since the last audited financial statements as at 31 March 2003, the Group does not have any contingent liabilities/assets.

A13 Capital commitments

	30-Sep-2003
	RM'000
Machinery	
Approved and contracted for	198
Freehold land	
Approved but not contracted for	1,392

Lease commitments

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

	30-Sep-2003
	RM'000
Less Than one year	666
One to two years	666
Above two years	7,212

B Additional information required by the KLSE's Listing Requirements

B1 Review of performance

When compared with the corresponding quarter last year, sales and pre tax profit registered an increase of 1.8% and 17.3% respectively.

Overall sales increased due to addition of new products and the improvement in export sales. Local market, however, experienced some slow down due to price competitiveness. Pre tax profit enjoyed a significant increase due to a better margin achieved on the newly introduced products.

B2 Comparison of profit before taxation with preceding quarter

Profit before tax dropped from RM8.4 million for the quarter ended June 2003 to RM8.2 million in the current quarter. The slight drop is mainly due to share of associate's profit of RM824k which was recorded in the first quarter. Excluding this non recurring transaction, profit before tax for the current quarter would have recorded an increase of 8% over the preceding quarter.

B3 Current year prospects

Based on the total orders received to-date, the Group expects a better sales performance in the second half of the current financial year as compared to that achieved in the first half of the year.

In view of the robust growth enjoyed by the export sector and the generally well acceptance of the newly launched products, the Group is confident in surpassing its previous years' performance for the financial year ending 31 March 2004.

B4 Profit forecast or profit guarantee

No profit forecast or profit guarantee was published by the Group.

B5 Tax expense

	6 months ended 30-Sep	
	2003 RM'000	2002 RM'000
Current year tax expense		
- based on results for the year	3,098	2,770
- Under/(over) provision in respect of prior year	(203)	-
	2,895	2,770
Deferred tax expense		
- current year	178	492
- Under/(over) provision in prior year	-	-
	178	492
Tax expense on share of profit of associates	232	-
	<u>3,305</u>	<u>3,262</u>

The lower tax rate in relation to the results of the Group for the financial year to date is mainly due to availability of certain tax incentive.

B6 Profit/loss on sale of unquoted investments and properties

	6 months 2nd Quarter 30.09.2003 RM'000
Disposal of unquoted investments	
Sales proceeds	2,867
Cost of investments	2,561
Gain on disposal	306

There were no sales of properties for the current quarter and financial year-to-date.

B7 Purchase or disposal of quoted securities

(a) Purchase and disposal of quoted securities were as follows:

	6 months 2nd Quarter 30.09.2003 RM'000
Purchase of quoted securities	<u>4,004</u>
Disposal of quoted securities	
Sales proceeds	1,046
Cost of investments	<u>777</u>
Gain on disposal	<u>269</u>

(b) Investment in quoted securities:

	As at 30.09.2003 RM'000
At cost	14,054
At book value	14,283
At market value	<u>14,767</u>

B8 Status of corporate proposal announced

No corporate proposal was announced by the Group.

B9 Group borrowings and debt securities

Group borrowings relate to short term unsecured bank overdraft and are denominated in Ringgit Malaysia.

B10 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 sales in foreign currency :-

Currency	Contract Amount ('000)	Equivalent in RM (000)	Contract Due in
USD	155	589	Nov-03
USD	771	2,938	Dec-03
USD	1,090	4,154	Jan-04
USD	1,430	5,452	Feb-04
USD	606	2,314	Mar-04
USD	600	2,291	Apr-04
USD	250	955	May-04
SGD	180	390	Dec-03
SGD	180	392	Jan-04
SGD	180	393	Feb-04

Forward foreign exchange contracts are entered into with licensed banks to hedge part of the Group's sales from exchange rate movements. Given that the contracts are entered into with licensed banks, we are of the view that credit risk is minimal.

As the forward contracts are short term in nature, no adjustment has been made at the balance sheet date to account for the difference between the contracted rate and the prevailing market rate.

B11 Changes in material litigation

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

B12 Dividends

As stated in Note A7.

B13 Earnings per share

	Current Quarter ended 30-Sep-03	Current Year to Date 30-Sep-03
Basic earnings per share		
Net profit for the period (RM'000)	6,935	13,370
Weighted average number of ordinary shares ('000)	67,712	67,664
Basic earnings per share (sen)	<u>10.24</u>	<u>19.76</u>
Diluted earnings per share		
Net profit for the period (RM'000)	6,935	13,370
Weighted average number of ordinary shares ('000)	67,712	67,664
Adjustment for share options ('000)	<u>1,235</u>	<u>1,126</u>
Weighted average number of ordinary shares for diluted earnings per share ('000)	<u>68,947</u>	<u>68,790</u>
Diluted earnings per share (sen)	<u>10.06</u>	<u>19.44</u>

By Order of The Board
Lam Voon Kean (Company Secretary)
27-Nov-03
