



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

CONDENSED CONSOLIDATED BALANCE SHEETS
AS AT 31 DECEMBER 2004

	As at End of Current Quarter 31-12-04 (Unaudited)		As at Preceding Financial Year End 31-03-04 (Audited)	
	RM'000		RM'000	
Property, Plant and Equipment	49,831		41,321	
Investment in Associated Companies	5		5	
Other Investments	<u>12,829</u>		<u>7,530</u>	
		62,665		48,856
Current Assets				
Inventories	40,677		27,145	
Trade and other receivables	25,370		25,338	
Cash and Cash Equivalents	<u>54,290</u>		<u>60,856</u>	
		120,337		113,339
Current Liabilities				
Trade and other payables	12,352		9,621	
Bank overdrafts	158		96	
Bank borrowings	12,102		3,518	
Taxation	1,662		1,115	
Dividend Payable	<u>5,029</u>		<u>4,999</u>	
		31,303		19,349
Net Current assets		<u>89,034</u>		<u>93,990</u>
		<u>151,699</u>		<u>142,846</u>
Share Capital	70,439		69,963	
Treasury Shares	<u>(2,122)</u>	68,317	<u>(2,121)</u>	67,842
Reserves	77,626		69,006	
Shareholders' Fund		145,943		136,848
Minority Interests		-		-
Long Term Borrowings		-		-
Deferred Taxation		5,756		5,998
		<u>151,699</u>		<u>142,846</u>
Net Tangible Assets Per Share (sen)		208.96		197.28

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 31st March 2004.



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

Quarterly report on consolidated results for the financial quarter ended 31 December 2004.
The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR NINE MONTH PERIOD ENDED 31 DECEMBER 2004**

	Individual Quarter		Cumulative Quarter	
	Current Quarter 31-12-04 RM'000	Preceding year Corresponding Quarter 31-12-03 RM'000	Current Year to Date 31-12-04 RM'000	Preceding year Corresponding Period 31-12-03 RM'000
Revenue	29,915	27,504	88,931	74,653
Operating Expenses	(20,413)	(20,337)	(62,429)	(54,815)
Other Operating Income	66	1,962	637	3,663
Profit from Operations	9,568	9,129	27,139	23,501
Finance cost	(60)	(9)	(107)	(9)
Investing Results	727	86	2,129	1,565
Shares of profit of associates	-	-	-	824
Profit before tax	10,235	9,206	29,161	25,881
Taxation	(2,455)	(1,990)	(5,645)	(5,295)
Profit after tax	7,780	7,216	23,516	20,586
Minority Interest	-	-	-	-
Net Profit for the period	7,780	7,216	23,516	20,586
i) Basic earnings per ordinary share (sen) Note B13	11.17	10.48	33.77	30.25
ii) Fully diluted earnings per ordinary share (sen) Note B13	11.15	10.43	33.69	30.10

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31st March 2004



ASIA FILE CORPORATION BHD. (313192-P)
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR NINE MONTH PERIOD ENDED 31 DECEMBER 2004

	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Exchange Fluctuation Reserve RM'000	Retained Profits RM'000	Total RM'000
9 month period ended 31 December 2004						
At 1 April 2004	69,963	(2,121)	6,105	(191)	63,093	136,849
Net profit for the period	-	-	-	-	23,516	23,516
Purchase of own shares	-	(1)	-	-	-	(1)
Issue of shares: - under ESOS	476	-	673	-	-	1,149
Currency translation differences, representing net losses not recognised in the income statement	-	-	-	(66)	-	(66)
Dividends	-	-	-	-	(15,504)	(15,504)
At 31 December 2004	70,439	(2,122)	6,778	(257)	71,105	145,943
9 month period ended 31 December 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	-	-	-	-	20,586	20,586
Purchase of own shares	-	(390)	-	-	-	(390)
Issue of shares: - under ESOS	2,123	-	2,724	-	-	4,847
Currency translation differences, representing net losses not recognised in the income statement	-	-	-	(242)	-	(242)
Dividends	-	-	-	-	(12,837)	(12,837)
At 31 December 2003	69,904	(2,095)	6,024	(122)	55,621	129,332

The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Annual Financial Report for the year ended 31st March 2004.



ASIA FILE CORPORATION BHD. (313192-P)
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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR NINE MONTH PERIOD ENDED 31 DECEMBER 2004

	Nine month ended 31-Dec-04 RM'000	Nine month ended 31-Dec-03 RM'000
Profit before tax	29,161	25,881
Adjustment for:		
Non-cash items	1,511	992
Non-operating items	(2,417)	(2,583)
Operating profit before changes in working capital	<u>28,255</u>	<u>24,290</u>
Changes in working capital		
Net Change in current assets	(17,588)	(3,103)
Net Change in current liabilities	1,743	(3,066)
Net cash flows from operating activities	<u>12,410</u>	<u>18,121</u>
Investing activities		
Equity investments	-	660
Other investments	(14,769)	459
	<u>(14,769)</u>	<u>1,119</u>
Financing activities		
Dividend paid	(15,475)	(11,224)
Purchase of own shares	(1)	(390)
Proceed from issue of shares	1,149	4,847
Bank borrowings, net	8,584	-
	<u>(5,743)</u>	<u>(6,767)</u>
Net Change in Cash & Cash Equivalents	(8,102)	12,473
Cash & Cash Equivalents at beginning of year	60,759	34,741
Effects of exchange rates on Cash & Cash Equivalents	1,475	2,438
Cash & Cash Equivalent at end of year	<u>54,132</u>	<u>49,652</u>

Note

Cash and cash equivalents

Cash and cash equivalents included in the condensed consolidated cash flow statements comprise the following condensed consolidated balance sheets amounts:

Cash and bank balances	54,290	49,962
Bank overdrafts	(158)	(310)
	<u>54,132</u>	<u>49,652</u>

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 31st March 2004.



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

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2004

A EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT - FRS 134

A1 Basis of preparation

The interim financial report is unaudited and has been prepared in compliance with FRS 134 "Interim Financial Reporting" and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 March 2004.

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 2004.

The adoption of FRS 112, FRS 119, FRS 123 and FRS 135 became effective for the financial year ended 31 March 2004 for the Group. The adoption of FRS 119, FRS 123 and FRS 135 has 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 FRS 112 which resulted in prior year adjustments are as follows:

(a) Changes in Accounting Policy

FRS 112: Income Taxes

Under FRS 112, deferred tax liabilities are recognized 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 materialize 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 FRS 112	(1,185)	1,185
At 1 April 2003, as restated	<u>47,872</u>	<u>5,163</u>

A2 Audit report of preceding annual financial statements

The audit report of the Group's annual financial statements for the year ended 31 March 2004 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 cash flow 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

126,200 and 476,400 ordinary shares were issued pursuant to the Employee Share Option Scheme during the quarter and financial year to date. Subsequent to the financial period ended 31 December 2004, 16,600 ordinary shares were issued pursuant to the Employee Share Option Scheme.

A total of 100 shares of Asia File Corporation Bhd was purchased and retained as treasury shares pursuant to the Shares Buy Back Scheme for the financial year to date.

Subsequent to the financial period ended 31 December 2004, a total of 100 shares of Asia File Corporation Bhd was purchased and retained as treasury shares pursuant to the Shares Buy Back scheme. Accordingly, a total of 595,700 shares was retained as treasury shares subsequent to quarter ended 31 December 2004.

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 Paid**(a) In respect of the financial year ending 31 March 2005**

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

(b) In respect of the financial year ended 31 March 2004

An interim dividend of 10% less 28% tax on 69,433,900 ordinary shares of RM1 each totaling RM4,999,241 for the financial year ended 31 March 2004 was paid on 25 May 2004.

A final tax exempt dividend of 15% on 69,836,400 ordinary shares of RM1 each totaling RM10,475,460 for the financial year ended 31 March 2004 was paid on 27 December 2004.

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 amortization 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 2004, the Group does not have any contingent liabilities/assets.

A13 Capital commitments**31-Dec-2004****RM'000**

Machinery

Approved and
contracted for1,113

Lease commitments

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

31-Dec-2004**RM'000**

Less Than one year

756

One to two years

756

Above two years

7,245

A14 Net tangible assets per share (sen)**31-Dec-04****31-Mar-04**

Shareholders' Fund (RM'000)

145,943

136,848

Share Capital (000)

70,439

69,963

Treasury Shares (000)

(596)

(596)

69,84369,367

Net tangible assets per share (sen)

208.96

197.28

B Additional information required by the Bursa Malaysia Securities Berhad's Listing Requirements**B1 Review of performance**

For the nine-month period ended 31 December 2004, sales and pre tax profit showed an increase of 19.13% and 12.67% respectively when compared to the corresponding period last year.

On individual quarter basis, in comparison with the corresponding quarter ended 31 December 2003, sales and pre tax profit improved by 8.76% and 11.18% respectively.

Contribution from the export sector continues to soar from the previous percentage of 67% to its current level of 71%. Contract sales to established stationery houses in U.S.A. result in continuous sales pouring in from this sector which registered a phenomenal increase of more than 75% when compared to the corresponding period last year. Another sector which enjoyed significant increase is Japan which has nearly doubled its sales from that achieved in the corresponding period. On the local market, total sales contracted by about 7% in view of the price competitiveness.

B2 Comparison of profit before taxation with preceding quarter

With a minor increase of 1.2% in turnover when compared to the preceding quarter ended September 2004, there is no major fluctuation in the pre tax figure which showed an increase of RM647k.

B3 Current year prospects

Based on the orders on hand and the cumulative result to date, the group is confident of an improved financial performance for the year ending 31 March 2005.

B4 Profit forecast or profit guarantee

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

B5 Tax expense

	9 months ended 31-Dec	
	2004 RM'000	2003 RM'000
Current year tax expense		
- Based on results for the year	5,618	4,600
- Under / (over) provision in respect of prior year	269	(174)
	5,887	4,426
Deferred tax expense		
- Current year	(242)	637
Tax expense on share of profit of associates	-	232
	<u>5,645</u>	<u>5,295</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

There were no sales of unquoted investments and 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:

	9 months 3rd Quarter 31.12.2004 RM'000
Purchase of quoted securities	<u>3,134</u>
Disposal of quoted securities	
Sales proceeds	2,119
Cost of investments	<u>1,874</u>
Gain on disposal	<u>245</u>

(b) Investment in quoted securities:

	As at 31.12.2004 RM'000
At cost	6,482
At book value	6,482
At market value	<u>7,289</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 banker acceptance, bank overdraft and foreign currency loan which are denominated in Ringgit Malaysia and USD respectively.

	As at 31.12.2004	
	USD('000)	RM('000)
Foreign currency loan	3,140	11,933
Banker acceptance	-	169
	3,140	12,102

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	200	760	Feb-05
USD	600	2,285	Mar-05
USD	600	2,285	Apr-05
USD	600	2,284	May-05
USD	600	2,284	Jun-05
USD	500	1,901	Jul-05
USD	550	2,090	Aug-05
USD	550	2,090	Sep-05
USD	550	2,090	Oct-05

Forward foreign exchange contracts are entered into with licensed banks to hedge part of the Group's sales from exchange rate movements. As the exchange rates are pre-determined under such contracts, the Group is not exposed to any market risk. Given that the contracts are entered into with licensed banks, we are of the view that credit risk is minimal.

As at balance sheet date, no adjustment has been made for the above forward contracts to account for the difference between the contracted rate and the prevailing market rate as the amount is immaterial.

B11 Changes in material litigation

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

B12 Dividends Proposed

After taking into consideration the cash flow requirement for the Group and the net cash balance position, the Group has decided to recommend an interim dividend of 10% less 28% tax totaling RM5,028,768 for the quarter under review and financial year to date (previous corresponding quarter: an interim dividend of 10% less 28% tax totaling RM4,999,241). The dividend will be paid at a date to be determined later.

B13 Earnings per share

	Current Quarter ended 31-Dec-04	Current Year to Date 31-Dec-04
Basic earnings per share		
Net profit for the period (RM'000)	7,780	23,516
Weighted average number of ordinary shares ('000)	69,647	69,643
Basic earnings per share (sen)	<u>11.17</u>	<u>33.77</u>

	Current Quarter ended 31-Dec-04	Current Year to Date 31-Dec-04
Diluted earnings per share		
Net profit for the period (RM'000)	7,780	23,516
Weighted average number of ordinary shares ('000)	69,647	69,643
Adjustment for share options ('000)	<u>148</u>	<u>155</u>
Weighted average number of ordinary shares for diluted earnings per share ('000)	<u>69,795</u>	<u>69,798</u>
Diluted earnings per share (sen)	<u>11.15</u>	<u>33.69</u>

By Order of The Board
Lam Voon Kean (Company Secretary)
