



ASIATIC DEVELOPMENT BERHAD

(34993-x)

PRESS RELEASE

Asiatic Development Berhad's Unaudited Results for the 6 months ended 30th June 1999

The Directors of Asiatic Development Berhad are pleased to announce that the Group recorded an unaudited pre-tax profit of RM78.85 million for the six months ended 30th June 1999 ("1H99"). This represents an improvement of 17% as compared to RM67.2 million for the corresponding period in 1998 ("1H98").

Earnings per share for the 1H99 was 10.5 sen as compared with 7.1 sen for the 1H98.

The improved performance was achieved on the back of higher contribution from the Property Division which more than offset the lower contribution from the Plantations Division.

In line with the crop recovery in the industry, the Group registered a 20% increase in FFB production. The increase was boosted by 3,263 hectares or 12% increase in new harvesting area coupled with more mature areas entering higher yielding brackets. Despite the strong crop recovery, operating profit of the Group was lower by 10% mainly attributable to the sharp decline in CPO prices during the 1H99. The average CPO price achieved for the 1H99 was RM1,743/- per mt as compared to RM2,272/- per mt in the 1H98. In addition, the 1H99 performance was also affected by the imposition of the Windfall Profit Levy and Sabah Sales Tax.

In contrast, significant improvement in performance was registered by the Property Division of the Group in the 1H99. With improved liquidity, lower interest rates and the spill-over effects of the Home Ownership Campaign, property sales of the Group's three main development projects increased by more than four folds over the same period last year. Aside from higher sales, the better performance was also due to the completion and handover of 866 units of double-storey terrace houses in Indahpura, the Group's flagship property development project in Kulai, Johor.

Y2K

On the Y2K issues, the Group has completed the testing and upgrading of systems and equipment. The Group is now in the process of documenting business contingency plans for all critical functional areas. The total cost of the Y2K project is estimated at RM1 million for the Group and to-date, approximately RM0.6 million has been incurred.

DIVIDENDS

The Directors are also pleased to declare an interim dividend of 1.5 sen less 28% tax per ordinary share in respect of the 1H99 which dividend will be payable on 19th October 1999 to shareholders registered in the Register of Members at the close of business on 27th September 1999.

Please note that the interim results can also be viewed at the following websites:-

- i) <http://www.asiatic.com.my/news/announce.htm>; and
- ii) <http://www.genting.com.my/CoAnnou/index.html>

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