



ASIATIC DEVELOPMENT BERHAD

(Incorporated in Malaysia under Company No : 34993-X)
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SECOND QUARTERLY REPORT

24 August 2000

Quarterly report on consolidated results for the financial period ended 30 June 2000. The figures have not been audited.

CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30/6/2000 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/6/1999 RM'000	CURRENT YEAR TO DATE 30/6/2000 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/6/1999 RM'000
1 (a) Turnover	63,796	N/R	119,267	216,110
(b) Investment income	-	N/R	-	-
(c) Other income including interest income	2,054	N/R	3,891	1,407
2 (a) Operating profit before interest on borrowings, depreciation and amortisation, exceptional item, income tax, minority interests and extraordinary items	18,966	N/R	36,265	79,941
(b) Interest on borrowings	-	N/R	-	(10)
(c) Depreciation and amortisation	(2,638)	N/R	(5,186)	(5,659)
(d) Exceptional item	2,067	N/R	3,776	5,167

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30/6/2000 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/6/1999 RM'000	CURRENT YEAR TO DATE 30/6/2000 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/6/1999 RM'000
(e) Operating profit after interest on borrowings, depreciation and amortisation and exceptional item but before income tax, minority interests and extraordinary items	18,395	N/R	34,855	79,439
(f) Share in the results of associated companies	(54)	N/R	(205)	(589)
(g) Profit before taxation, minority interests and extraordinary items	18,341	N/R	34,650	78,850
(h) Taxation	(3,741)	N/R	(7,605)	(1,012)
(i) (i) Profit after taxation before deducting minority interests	14,600	N/R	27,045	77,838
(ii) Minority interests	179	N/R	(396)	282
(j) Profit after taxation attributable to Members of the Company	14,779	N/R	26,649	78,120
(k) (i) Extraordinary items	-	N/R	-	-
(ii) Less minority interests	-	N/R	-	-
(iii) Extraordinary items attributable to Members of the Company	-	N/R	-	-
(l) Profit after taxation and extraordinary items attributable to Members of the Company	14,779	N/R	26,649	78,120

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30/6/2000 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/6/1999 RM'000	CURRENT YEAR TO DATE 30/6/2000 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/6/1999 RM'000
3 (a) Earnings per share based on 2(j) above after deducting any provision for preference dividends, if any:				
(i) Basic (based on 741,335,000 ordinary shares) - sen	1.99	N/R	3.59	10.54
(ii) Fully diluted (based on 741,335,000 ordinary shares) - sen	1.99	N/R	3.59	10.54
4 (a) Dividend per share - sen	1.50	N/R	1.50	1.50
(b) Dividend description	Interim dividend of 1.50 sen per ordinary share of 50 sen each, less 28% tax	N/R	Interim dividend of 1.50 sen per ordinary share of 50 sen each, less 28% tax	Interim dividend of 1.50 sen per ordinary share of 50 sen each, less 28% tax

Note :

N/R – Not Required



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CONSOLIDATED BALANCE SHEET

	(Unaudited) AS AT END OF CURRENT PERIOD 30/6/2000 RM'000	(Audited) AS AT PRECEDING FINANCIAL YEAR END 31/12/1999 RM'000
1 FIXED ASSETS	501,040	502,789
2 REAL PROPERTY ASSETS	241,998	231,246
3 ASSOCIATED COMPANIES	20,990	21,971
4 INVESTMENTS	638	638
5 CURRENT ASSETS		
Property development	200,258	195,076
Stocks	7,388	6,242
Trade debtors	35,530	48,215
Other debtors, deposits and prepayments	24,294	16,009
Short term investments	63,868	22,814
Bank balances and deposits	127,163	167,586
	-----	-----
	458,501	455,942
	-----	-----
6 CURRENT LIABILITIES		
Short term borrowings	186	186
Trade creditors	66,924	70,057
Other creditors	28,251	31,588
Amount due to holding and other related companies	239	22
Provision for taxation	-	9,947
Dividends	26,688	18,682
	-----	-----
	122,288	130,482
	-----	-----
7 NET CURRENT ASSETS	336,213	325,460
	-----	-----
	1,100,879	1,082,104
	=====	=====
8 SHAREHOLDERS' FUNDS		
SHARE CAPITAL	370,668	370,668
RESERVES		
Share premium	25,663	25,663
Revaluation reserve	23,023	23,028
Retained profit	648,743	630,095
Exchange differences	(698)	(695)
	696,731	678,091
	-----	-----
	1,067,399	1,048,759
9 MINORITY INTERESTS	21,748	21,316
10 LONG TERM BORROWINGS	5,388	5,388
11 DEFERRED TAXATION	6,344	6,641
	-----	-----
	1,100,879	1,082,104
	=====	=====
12 NET TANGIBLE ASSETS PER SHARE (RM)	1.44	1.41

ASIATIC DEVELOPMENT BERHAD
NOTES TO THE QUARTERLY REPORT

- 1 The accounting policies and methods of computation adopted for the quarterly financial statements are consistent with those adopted for the financial statements for the year ended 31 December 1999.
- 2 The exceptional item for the current year to date represents net surplus arising from freehold land and plantations acquired by the government.
- 3 There were no extraordinary items for the current year to date.
- 4 Taxation charges for the current year to date include deferred tax credit of RM0.3 million (1999 : deferred tax charge of RM0.9 million). There is no material adjustment for under or over provision in respect of prior years (1999 : Nil).
- 5 The results for the current year to date do not include any pre-acquisition profits.
- 6 The results for the current year to date do not include any profit or loss on sale of investments and properties which are not in the ordinary course of business of the Group other than the exceptional item as disclosed in Note 2.
- 7 (a) There were no dealings in quoted securities for the current year to date.
(b) The details of the investments in quoted shares as at 30 June 2000 are as set out below:

	RM'000
Total investments at cost	8,282
Total investments at book value	638
Total investments at market value as at 30 June 2000	605

- 8 There were no material changes in the composition of the Company and of the Group for the current year to date.
- 9 (a) On 12 April 2000, Commerce International Merchant Bankers Berhad announced on behalf of the Company the following proposals:
 - (i) Proposed Executive Share Option Scheme for eligible Executives and Executive Directors of the Company and its subsidiaries; and
 - (ii) Proposed purchase of own shares representing up to ten percent (10%) of the issued and paid-up share capital of the Company through the Kuala Lumpur Stock Exchange.

- (b) The Company had on 3 August 2000, entered into a Sale and Purchase Agreement for the disposal of the Group's entire equity interest in its indirect subsidiary company, Dongguan New Asiatic Oils and Fats Co Ltd ("DNA"), representing 55% of the paid-up capital of DNA, for a total consideration of USD1.60 million or RM6.08 million ("the Disposal). The consideration was arrived at on a "willing buyer willing seller" basis. The Disposal is subject to approvals of the relevant authorities in The People's Republic of China and Hong Kong.

On completion of the Disposal, the Group is expected to realise an exceptional gain of approximately RM6 million as the original cost of investment was written off in 1997.

As at 17 August 2000, whilst all required approvals in respect of the proposal in (a) (ii) above have been obtained, certain approvals have yet to be obtained for the remaining corporate proposals.

- 10 The production of fresh fruit bunches ('FFB') is seasonal in nature with crop peaking in the second half of the year.
- 11 There were no issuance and repayment of debt and equity securities, shares buy-back, shares cancellation, shares held as treasury shares and resale of treasury shares for the current year to date.
- 12 The details of the Group's borrowings as at 30 June 2000 are as set out below:

	SECURED/ UNSECURED	FOREIGN CURRENCY	RM EQUIVALENT
Short term borrowings	Secured	Renminbi 406,000	186,000
Long term borrowings	Unsecured	-	5,388,000
Total Group Borrowings			5,574,000

- 13 Contingent liability as at 17 August 2000 comprises an unsecured counter indemnity amounting to RM5 million given by the Company to a local licensed bank for a bank guarantee issued on behalf of a wholly-owned subsidiary company.
- 14 There are no financial instruments with off balance sheet risk as at 17 August 2000.
- 15 There are no pending material litigations as at 17 August 2000.
- 16 Segment analysis for the current year to date is set out below:

	TURNOVER RM'000	PROFIT BEFORE TAXATION RM'000	ASSETS EMPLOYED AS AT 30/6/2000 RM'000
<i>By activity</i>			
Plantation	86,543	21,151	482,729
Property	32,724	5,877	502,535
	-----	-----	-----
	119,267	27,028	985,264
<i>Non-segment items</i>			
Interest-bearing investments	-	3,891	190,229
Others	-	3,731	47,674
	-	7,622	237,903
	-----	-----	-----
	<u>119,267</u>	<u>34,650</u>	<u>1,223,167</u>
	=====	=====	=====

- 17 The Group recorded a pre-tax profit of RM18.3 million for the current quarter as compared to RM16.3 million in the preceding quarter.

The higher profit achieved as compared to the preceding quarter was mainly attributable to a 23% increase in FFB production during the quarter under review. In addition, included in the results for the current quarter was an exceptional gain of RM2.1 million arising from freehold land and plantation acquired by the government as compared to RM1.7 million in the preceding quarter.

- 18 The Group recorded a pre-tax profit of RM34.7 million for the half year ended 30 June 2000 which profit was 56% lower than the RM78.9 million achieved during the corresponding period in 1999.

In spite of a 9% increase in FFB production, the performance of the Plantation Division was affected by weak commodity prices. The average achieved crude palm oil and palm kernel prices of RM1,118/mt and RM898/mt respectively for the period to 30 June 2000 were much lower than the prices of RM1,743/mt and RM1,103/mt respectively achieved during the same period in the previous year. Likewise, the performance of the Property Division also declined on the back of slow demand, particularly for commercial and industrial properties.

Other than the Disposal as mentioned in Note 9(b), there has not arisen in the interval between 30 June 2000 and 17 August 2000, any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect substantially the results of the operation of the Company and of the Group.

- 19 Other than the expected exceptional gain of approximately RM6 million as mentioned in Note 9(b) and barring any other unforeseen circumstances, the Directors are of the opinion that the performance of the Group is expected to be satisfactory for the remaining period of the year.

- 20 There are no explanatory comments on variances of actual profit from forecast profit and shortfall in profit guarantee since it is not applicable.

- 21 (a) An interim ordinary dividend for the half year ended 30 June 2000 has been declared by the Directors.

- (b) (i) The interim dividend for the half year ended 30 June 2000 shall amount to 1.5 sen per ordinary share of 50 sen each, less 28% tax.

- (ii) The interim dividend declared for the previous year corresponding period amounted to 1.5 sen per ordinary share of 50 sen each, less 28% tax.

- (iii) Total interim dividend

	2000	1999
	RM	RM
Interim - 1.5 sen less 28% tax		
(1999 : 1.5 sen less 28% tax) per share	8,006,418	8,006,418

(c) The interim dividend shall be payable on 20 October 2000.

(d) Entitlement to the interim dividend

A Depositor shall qualify for entitlement to the interim dividend only in respect of:

- (i) Shares transferred into the Depositor's Securities Account before 12.30 p.m. on 29 September 2000 in respect of ordinary transfers; and
- (ii) Shares bought on the Kuala Lumpur Stock Exchange on a cum entitlement basis according to the rules of the Kuala Lumpur Stock Exchange.

By order of the Board

TAN SRI MOHD AMIN BIN OSMAN
Chairman
Asiatic Development Berhad