



# ASIATIC DEVELOPMENT BERHAD

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

29 November 2000

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

### CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30/9/2000 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/9/1999 RM'000	CURRENT YEAR TO DATE 30/9/2000 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/9/1999 RM'000
1 (a) Turnover	52,876	144,935	172,143	361,045
(b) Investment income	-	-	-	-
(c) Other income including interest income	1,940	1,208	5,831	2,615
2 (a) Operating profit before interest on borrowings, depreciation and amortisation, exceptional items, income tax, minority interests and extraordinary items	15,078	76,260	51,343	156,201
(b) Interest on borrowings	-	(5)	-	(15)
(c) Depreciation and amortisation	(2,568)	(2,136)	(7,754)	(7,795)
(d) Exceptional items	5,965	-	9,741	5,167

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30/9/2000 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/9/1999 RM'000	CURRENT YEAR TO DATE 30/9/2000 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/9/1999 RM'000
(e) Operating profit after interest on borrowings, depreciation and amortisation and exceptional items but before income tax, minority interests and extraordinary items	<b>18,475</b>	74,119	<b>53,330</b>	153,558
(f) Share in the results of associated companies	<b>97</b>	17	<b>(108)</b>	(572)
(g) Profit before taxation, minority interests and extraordinary items	<b>18,572</b>	74,136	<b>53,222</b>	152,986
(h) Taxation	<b>(4,681)</b>	-	<b>(12,286)</b>	(1,012)
(i) (i) Profit after taxation before deducting minority interests	<b>13,891</b>	74,136	<b>40,936</b>	151,974
(ii) Minority interests	<b>412</b>	(4,523)	<b>16</b>	(4,241)
(j) Profit after taxation attributable to Members of the Company	<b>14,303</b>	69,613	<b>40,952</b>	147,733
(k) (i) Extraordinary items	-	-	-	-
(ii) Less minority interests	-	-	-	-
(iii) Extraordinary items attributable to Members of the Company	-	-	-	-
(l) Profit after taxation and extraordinary items attributable to Members of the Company	<b>14,303</b>	69,613	<b>40,952</b>	147,733

		INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		30/9/2000	30/9/1999	30/9/2000	30/9/1999
		RM'000	RM'000	RM'000	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	<b>1.93</b>	9.39	<b>5.52</b>	19.93
	(ii) Fully diluted (based on 741,335,000 ordinary shares) - sen	<b>1.93</b>	9.39	<b>5.52</b>	19.93
4	(a) Dividend per share - sen	-	-	<b>1.50</b>	1.50
	(b) Dividend description	-	-	Interim dividend per ordinary share, less 28% tax	Interim dividend per ordinary share, less 28% tax



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## CONSOLIDATED BALANCE SHEET

	(Unaudited) AS AT END OF CURRENT PERIOD 30/9/2000 RM'000	(Audited) AS AT PRECEDING FINANCIAL YEAR END 31/12/1999 RM'000
1 <b>FIXED ASSETS</b>	487,327	502,789
2 <b>REAL PROPERTY ASSETS</b>	241,946	231,246
3 <b>ASSOCIATED COMPANIES</b>	19,889	21,971
4 <b>INVESTMENTS</b>	638	638
5 <b>CURRENT ASSETS</b>		
Property development	206,902	195,076
Stocks	6,857	6,242
Trade debtors	30,099	48,215
Other debtors, deposits and prepayments	23,133	16,009
Amount due from associated companies	1,103	-
Short term investments	83,517	22,814
Bank balances and deposits	99,903	167,586
	----- 451,514 -----	----- 455,942 -----
6 <b>CURRENT LIABILITIES</b>		
Short term borrowings	-	186
Trade creditors	76,724	70,057
Other creditors	16,840	31,588
Amount due to holding and other related companies	228	22
Provision for taxation	-	9,947
Dividends	8,006	18,682
	----- 101,798 -----	----- 130,482 -----
7 <b>NET CURRENT ASSETS</b>	349,716	325,460
	----- 1,099,516 =====	----- 1,082,104 =====
8 <b>SHAREHOLDERS' FUNDS</b>		
<b>SHARE CAPITAL</b>	370,668	370,668
<b>RESERVES</b>		
Share premium	25,663	25,663
Revaluation reserve	23,011	23,028
Retained profit	663,058	630,095
Exchange differences	(638)	(695)
	711,094	678,091
	----- 1,081,762	----- 1,048,759
9 <b>MINORITY INTERESTS</b>	5,394	21,316
10 <b>LONG TERM BORROWINGS</b>	5,388	5,388
11 <b>DEFERRED TAXATION</b>	6,972	6,641
	----- 1,099,516 =====	----- 1,082,104 =====
12 <b>NET TANGIBLE ASSETS PER SHARE (RM)</b>	1.46	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 items for the current year to date are as set out below:

	<b>2000 RM'000</b>	<b>1999 RM'000</b>
Net surplus arising from freehold land and plantations acquired by the government	<b>3,776</b>	5,167
Gain on disposal of the entire 55% equity interest in an indirect foreign subsidiary company, Dongguan New Asiatic Oils and Fats Co. Ltd. which investment was written off previously	<b>5,965</b>	-
<b>TOTAL</b>	<b>9,741</b>	5,167

- 3 There were no extraordinary items for the current year to date.
- 4 Taxation charges for the current year to date include deferred tax charge of RM0.3 million (1999 : 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 items 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 September 2000 are as set out below:

	<b>RM'000</b>
Total investments at cost	8,282
Total investments at book value	638
Total investments at market value as at 30 September 2000	388

- 8 There were no changes in the composition of the Company and of the Group for the current year to date other than the disposal of the indirect foreign subsidiary company as disclosed in Note 2. The said disposal resulted in an increase of the earnings and net tangible assets of the Group by 0.81 sen per share.
- 9 There were no corporate proposals which have been announced but not completed as at 23 November 2000.

- 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 September 2000 are as set out below:

	<b>SECURED/ UNSECURED</b>	<b>RM</b>
Long term borrowings	Unsecured	5,388,000

- 13 Contingent liability as at 23 November 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 23 November 2000.
- 15 There are no pending material litigations as at 23 November 2000.
- 16 Segment analysis for the current year to date is set out below:

	<b>TURNOVER</b>		<b>PROFIT BEFORE TAXATION</b>		<b>ASSETS EMPLOYED AS AT</b>	
	<b>30/9/2000 RM'000</b>	<b>30/9/1999 RM'000</b>	<b>30/9/2000 RM'000</b>	<b>30/9/1999 RM'000</b>	<b>30/9/2000 RM'000</b>	<b>30/9/1999 RM'000</b>
<i>By activity</i>						
Plantation	<b>129,100</b>	167,617	<b>31,181</b>	71,196	<b>485,252</b>	480,799
Property	<b>43,043</b>	193,428	<b>6,466</b>	73,822	<b>505,112</b>	512,248
	<b>-----</b>	<b>-----</b>	<b>-----</b>	<b>-----</b>	<b>-----</b>	<b>-----</b>
	<b>172,143</b>	361,045	<b>37,647</b>	145,018	<b>990,364</b>	993,047
<i>Non-segment items</i>						
Interest-bearing investments	-	-	<b>5,831</b>	2,615	<b>179,859</b>	122,934
Others	-	-	<b>9,744</b>	5,353	<b>31,091</b>	48,326
	-	-	<b>15,575</b>	7,968	<b>210,950</b>	171,260
	<b>-----</b>	<b>-----</b>	<b>-----</b>	<b>-----</b>	<b>-----</b>	<b>-----</b>
	<b>172,143</b>	361,045	<b>53,222</b>	152,986	<b>1,201,314</b>	1,164,307
	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>

- 17 The Group recorded a pre-tax profit of RM18.6 million for the current quarter as compared to RM18.3 million in the preceding quarter.

During the current quarter under review, the Group realised an exceptional gain of approximately RM6 million upon completion of the disposal of the indirect foreign subsidiary company as reported in Note 2. This exceptional gain had more than offset the much lower contribution from the Group's core businesses.

Despite a 24% increase in FFB production, the performance of the plantation segment for the current quarter was affected by the further weakening of palm products prices. For the current quarter, the Group achieved average selling prices for crude palm oil (“CPO”) and palm kernel (“PK”) were RM984/mt and RM603/mt respectively. When compared to the preceding quarter, the achieved CPO and PK prices had declined by 12% and 29% respectively. In tandem with these lower prices, the pre-tax profit of the plantation segment had dropped 17% from RM12.1 million achieved during the preceding quarter to that of RM10.0 million in this quarter.

The property segment was similarly plagued by the continued poor demand, particularly the commercial and industrial properties. The pre-tax profit of the property segment had slipped from RM2.4 million in the preceding quarter to RM0.6 million in the current quarter.

- 18 The Group recorded a pre-tax profit of RM53.2 million for the current year to date which profit was 65% lower than the RM153.0 million achieved during the corresponding period in 1999.

Other than the exceptional gains as mentioned in Note 2, the lower pre-tax profit achieved by the Group for the current year to date as compared to the corresponding period in 1999 was mainly due to lower contribution from the Group’s core businesses. The same factors affecting the performance of the current quarter prevailed throughout the three quarters of 2000.

The profit after taxation and before deducting minority interests for the current quarter and the current year to date are not comparable with that of the previous corresponding period as 1999 was an income tax waiver year and hence, no provision for Malaysian taxation was required.

There has not arisen in the interval between 30 September 2000 and 23 November 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 For the last quarter of the year 2000, FFB production is expected to decline due to seasonal downtrend. This will help ease the high stock level and lend support for firmer prices during the coming quarter.

The Property market on the other hand, is not expected to stage any significant improvement during the coming quarter.

Based on the above and barring unforeseen circumstances, the Directors are of the opinion that the performance of the Group for the current financial year would not match that of the last financial year but is expected to be satisfactory.

- 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 No dividend has been declared/recommended for the current quarter ended 30 September 2000.

By order of the Board

**TAN SRI MOHD AMIN BIN OSMAN**  
**Chairman**  
**Asiatic Development Berhad**