



ASIATIC DEVELOPMENT BERHAD

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

29 May 2001

Quarterly report on consolidated results for the financial period ended 31 March 2001. The figures have not been audited.

CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31/3/2001 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/3/2000 RM'000	CURRENT YEAR TO DATE 31/3/2001 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/3/2000 RM'000
1 (a) Turnover	40,590	55,471	40,590	55,471
(b) Investment income	-	-	-	-
(c) Other income including interest income	1,475	1,837	1,475	1,837
2 (a) Operating profit before interest on borrowings, depreciation and amortisation, exceptional item, income tax, minority interests and extraordinary items	8,507	17,299	8,507	17,299
(b) Interest on borrowings	-	-	-	-
(c) Depreciation and amortisation	(2,603)	(2,548)	(2,603)	(2,548)
(d) Exceptional item	4,766	1,709	4,766	1,709

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31/3/2001 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/3/2000 RM'000	CURRENT YEAR TO DATE 31/3/2001 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/3/2000 RM'000
(e) Operating profit after interest on borrowings, depreciation and amortisation and exceptional item but before income tax, minority interests and extraordinary items	10,670	16,460	10,670	16,460
(f) Share in the results of associated companies	(268)	(151)	(268)	(151)
(g) Profit before taxation, minority interests and extraordinary items	10,402	16,309	10,402	16,309
(h) Taxation	(1,600)	(3,864)	(1,600)	(3,864)
(i) (i) Profit after taxation before deducting minority interests	8,802	12,445	8,802	12,445
(ii) Minority interests	244	(575)	244	(575)
(j) Profit after taxation attributable to Members of the Company	9,046	11,870	9,046	11,870
(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	9,046	11,870	9,046	11,870

	CURRENT YEAR QUARTER 31/3/2001 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/3/2000 RM'000	CURRENT YEAR TO DATE 31/3/2001 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/3/2000 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 in issue) - sen	1.22	1.60	1.22	1.60
(ii) Fully diluted (based on 741,335,000 ordinary shares in issue) - sen	1.22	1.60	1.22	1.60
4 (a) Dividend per share - sen	-	-	-	-
(b) Dividend description	-	-	-	-



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CONSOLIDATED BALANCE SHEET

	(Unaudited) AS AT END OF CURRENT FINANCIAL PERIOD 31/3/2001 RM'000	(Audited) AS AT PRECEDING FINANCIAL YEAR END 31/12/2000 RM'000
ASSETS		
1	PROPERTY, PLANT AND EQUIPMENT	
2	REAL PROPERTY ASSETS	
3	ASSOCIATED COMPANIES	
4	INVESTMENTS	
5	CURRENT ASSETS	
	Property development	
	Inventories	
	Trade receivables	
	Other receivables, deposits and prepayments	
	Amount due from associated companies	
	Short term investments	
	Bank balances and deposits	
	93,890	90,934
	112,981	117,332
	19,366	15,881
	29,953	22,206
	1,023	904
	122,827	106,708
	63,162	85,073
	443,202	439,038
6	CURRENT LIABILITIES	
	Trade payables	
	Other payables and accrued expenses	
	Amount due to holding and other related companies	
	Taxation	
	Proposed dividend	
	65,312	67,362
	10,323	12,911
	295	850
	1,072	-
	8,006	8,006
	85,008	89,129
7	NET CURRENT ASSETS	
	358,194	349,909
	1,120,989	1,112,250
FINANCED BY		
8	SHAREHOLDERS' EQUITY	
	SHARE CAPITAL	
	RESERVES	
	Share premium	
	Revaluation reserve	
	Retained profit	
	Exchange differences	
	370,668	370,668
	25,663	25,663
	19,735	19,829
	680,056	670,916
	(699)	(637)
	724,755	715,771
	1,095,423	1,086,439
9	MINORITY INTERESTS	
	10,438	10,683
10	LONG TERM LIABILITIES	
	Long term borrowings	
	Deferred taxation	
	Provision for Directors' retirement gratuities	
	5,388	5,388
	4,255	4,255
	5,485	5,485
	15,128	15,128
	1,120,989	1,112,250
11	NET TANGIBLE ASSETS PER SHARE (RM)	
	1.48	1.47

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 2000.
- 2 The exceptional item for the current year todate represents net surplus arising from sale of freehold land and plantation.
- 3 There were no extraordinary items for the current year todate.
- 4 Taxation charges for the current year todate include the following:

	2001 RM'000	2000 RM'000
Under provision in respect of prior years	21	-
Deferred tax credit	-	(232)

- 5 The results for the current year todate do not include any pre-acquisition profits.
- 6 The results for the current year todate 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 todate.
(b) The details of the investments in quoted shares as at 31 March 2001 are as set out below:

	RM'000
Total investments at cost	8,282
Total investments at book value	289
Total investments at market value as at 31 March 2001	194

- 8 There were no material changes in the composition of the Company and of the Group for the current year todate.
- 9 On 8 March 2001, the Company announced the proposed acquisition (“the Proposed Acquisition”) of the entire issued and paid-up capital of Kinavest Sdn Bhd (“Kinavest”) for a cash consideration of RM1.33 million less all outstanding liabilities of Kinavest as at the date of completion of the Proposed Acquisition. Kinavest has been alienated a piece of agricultural land measuring approximately 192.4 hectares situated in Tenegang, District of Kinabatangan, Sabah.

Further, Commerce International Merchant Bankers Berhad had on 20 April 2001, announced on behalf of the Company the following proposals:

- i) Proposed amendments to the Articles of Association of the Company (“the Proposed Amendments”) to incorporate and to reflect the new listing requirements as required by the Kuala Lumpur Stock Exchange (“KLSE”) as well as other relevant regulatory and statutory requirements; and
- ii) Proposed fresh mandate from shareholders to purchase up to a maximum of ten percent (10%) of the issued and paid-up share capital of the Company (“the Proposed Share Buy-Back”) through the KLSE.

As at 22 May 2001, the status of the above proposals are as follows:

- a) The Proposed Acquisition which was approved by the Foreign Investment Committee, is subject to approvals of other relevant authorities; and
 - b) The Proposed Amendments and the Proposed Share Buy-Back are subject to the approval of the shareholders of the Company at an Extraordinary General Meeting to be convened.
- 10 The production of fresh fruit bunches (‘FFB’) is seasonal in nature where crop normally peaks 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 todate.
- 12 The details of the Group’s borrowings as at 31 March 2001 are as set out below:

	SECURED/ UNSECURED	RM
Long-term borrowings	Unsecured	5,388,000

- 13 Contingent liability as at 22 May 2001 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 22 May 2001.
- 15 There are no pending material litigations as at 22 May 2001.

16 Segment analysis for the current year to date is set out below:

	TURNOVER		PROFIT BEFORE TAXATION		ASSETS EMPLOYED AS AT	
	31/3/2001	31/3/2000	31/3/2001	31/3/2000	31/3/2001	31/3/2000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<i>By activity</i>						
Plantation	34,477	37,923	4,273	9,069	492,471	472,111
Property	6,113	17,548	27	3,508	498,183	503,077
	<u>40,590</u>	<u>55,471</u>	<u>4,300</u>	<u>12,577</u>	<u>990,654</u>	<u>975,188</u>
<i>Non-segment items</i>						
Interest-bearing investments	-	-	1,475	1,837	185,583	181,963
Others	-	-	4,627	1,895	29,760	48,840
	-	-	6,102	3,732	215,343	230,803
	<u>40,590</u>	<u>55,471</u>	<u>10,402</u>	<u>16,309</u>	<u>1,205,997</u>	<u>1,205,991</u>

17 The Group achieved a pre-tax profit of RM10.4 million or some 38% lower than the preceding quarter. The lower profit was mainly due to lower profit contribution from the two core operating divisions of the Group. Included in the said profit is an exceptional gain of RM4.8 million.

18 The performance of the Group was affected by the weaker palm oil and property markets during the current quarter under review. For the said quarter, the average achieved crude palm oil and palm kernel prices of the Group were 33% and 61% respectively lower than that of the corresponding period last year. Likewise, property sales achieved were also lower at RM6.4 million as compared to RM12.4 million in the corresponding period last year.

The impact of these adverse factors was, however, mitigated by a 46% increase in FFB production and a higher exceptional gain of RM4.8 million as against RM1.7 million recorded in the corresponding period of last year.

There has not arisen in the interval between 31 March 2001 and 22 May 2001, 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 Barring any unforeseen circumstances, the Directors are of the opinion that the performance of the Group for the financial year ending 31 December 2001 is expected to be lower than the previous financial 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 No dividend has been declared/recommended for the current quarter ended 31 March 2001.

- 22 As at 31 March 2001, the Company has 3,304,000 unissued ordinary shares outstanding under the Asiatic Executive Share Option Scheme (“AESOS”). In accordance with the provisions laid down by MASB No. 13 on Earnings Per Share, share options are dilutive when they are issued for no consideration or where a portion of the outstanding share options are deemed dilutive in situations where the exercisable price of the options is below its fair value.

Since the exercisable price of the AESOS is above the fair value of the Company’s shares for the current year todate, the option is deemed non dilutive.

By order of the Board

TAN SRI MOHD AMIN BIN OSMAN
Chairman
Asiatic Development Berhad