



ASIATIC DEVELOPMENT BERHAD

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

28 November 2001

Quarterly report on consolidated results for the financial period ended 30 September 2001. The figures have not been audited.

CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30/9/2001 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/9/2000 RM'000	CURRENT YEAR TO DATE 30/9/2001 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/9/2000 RM'000
1 (a) Revenue	53,052	52,876	139,028	172,143
(b) Investment income	-	-	-	-
(c) Other income	1,682	1,940	4,876	5,831
2 (a) Profit/(loss) before finance cost, depreciation and amortisation, exceptional items, income tax, minority interests and extraordinary items	18,125	15,078	35,749	51,343
(b) Finance cost	-	-	-	-
(c) Depreciation and amortisation	(2,658)	(2,568)	(7,876)	(7,754)
	15,467	12,510	27,873	43,589
(d) Exceptional items	27,654	5,965	35,803	9,741

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30/9/2001 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/9/2000 RM'000	CURRENT YEAR TO DATE 30/9/2001 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/9/2000 RM'000
(e) Profit/(loss) before income tax, minority interests and extraordinary items	43,121	18,475	63,676	53,330
(f) Share of profits/(losses) of associated companies	214	97	(214)	(108)
(g) Profit/(loss) before income tax, minority interests and extraordinary items after share of profits and losses of associated companies	43,335	18,572	63,462	53,222
(h) Income tax	(5,443)	(4,681)	(9,409)	(12,286)
(i) (i) Profit/(loss) after income tax before deducting minority interests	37,892	13,891	54,053	40,936
(ii) Minority interests	(445)	412	(192)	16
(j) Pre-acquisition profit/(loss)	-	-	-	-
(k) Net profit/(loss) from ordinary activities attributable to members of the Company	37,447	14,303	53,861	40,952
(l) (i) Extraordinary items	-	-	-	-
(ii) Minority interests	-	-	-	-
(iii) Extraordinary items attributable to members of the Company	-	-	-	-

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30/9/2001 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/9/2000 RM'000	CURRENT YEAR TO DATE 30/9/2001 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/9/2000 RM'000
(m) Net profit/(loss) attributable to members of the Company	37,447 =====	14,303 =====	53,861 =====	40,952 =====
3 Earnings per share based on 2(m) above after deducting any provision for preference dividends, if any:				
(a) Basic (based on 741,335,000 ordinary shares) - sen	5.05	1.93	7.27	5.52
(b) Fully diluted (based on 741,913,683 ordinary shares) - sen	5.05	1.93	7.26	5.52
4 (a) Dividend per share - sen	-	-	1.50	1.50
(b) Dividend description	-	-	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



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CONSOLIDATED BALANCE SHEET

	(Unaudited) AS AT END OF CURRENT FINANCIAL PERIOD 30/9/2001 RM'000	(Audited) AS AT PRECEDING FINANCIAL YEAR END 31/12/2000 RM'000	
ASSETS			
1	PROPERTY, PLANT AND EQUIPMENT	498,271	492,008
2	REAL PROPERTY ASSETS	252,238	250,064
3 (i)	ASSOCIATED COMPANIES	(676)	1,199
(ii)	AMOUNT DUE FROM ASSOCIATED COMPANIES	17,601	18,781
4	INVESTMENTS	289	289
5	CURRENT ASSETS		
	Property development	95,698	90,934
	Inventories	113,752	117,332
	Trade and other receivables	48,427	38,087
	Amount due from associated companies	1,088	904
	Short term investments	150,671	106,708
	Bank balances and deposits	70,057	85,073
		<u>479,693</u>	<u>439,038</u>
6	CURRENT LIABILITIES		
	Trade and other payables	80,438	80,273
	Amount due to holding and other related companies	297	850
	Taxation	1,238	-
	Dividends	8,006	8,006
		<u>89,979</u>	<u>89,129</u>
7	NET CURRENT ASSETS	<u>389,714</u>	<u>349,909</u>
		<u>1,157,437</u>	<u>1,112,250</u>
FINANCED BY			
8	SHAREHOLDERS' EQUITY		
	SHARE CAPITAL	370,668	370,668
	RESERVES		
	Share premium	25,663	25,663
	Revaluation reserve	19,674	19,829
	Retained profit	716,926	670,916
	Exchange differences	(699)	(637)
		<u>761,564</u>	<u>715,771</u>
		<u>1,132,232</u>	<u>1,086,439</u>
9	MINORITY INTERESTS	10,841	10,683
10	LONG TERM LIABILITIES		
	Long term borrowings	5,388	5,388
	Deferred taxation	3,491	4,255
	Provision for Directors' retirement gratuities	5,485	5,485
		<u>14,364</u>	<u>15,128</u>
		<u>1,157,437</u>	<u>1,112,250</u>
11	NET TANGIBLE ASSETS PER SHARE (RM)	<u>1.53</u>	<u>1.47</u>

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 items for the current quarter and financial year-to-date represent net surplus arising from disposals of freehold land and plantation.
- 3 There were no extraordinary items for the current quarter and financial year-to-date.
- 4 Tax charges for the current financial year-to-date are as set out below:

	2001 RM'000	2000 RM'000
Current tax-Malaysian	9,731	11,470
Under/(over) provision in respect of prior years	<u>21</u>	<u>(42)</u>
	9,752	11,428
Deferred tax (credit)/charge	(764)	331
Share in tax of associated companies	<u>421</u>	<u>527</u>
	<u>9,409</u>	<u>12,286</u>

The effective tax rate for the current quarter and financial year-to-date is lower than the statutory tax rate mainly due to the utilisation of agriculture allowance, reinvestment allowance brought forward and certain non-taxable income.

- 5 The results for the current quarter and financial year-to-date do not include any profit or loss on sale of unquoted 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.
- 6 (a) There were no dealings in quoted securities for the current quarter and financial year-to-date.
- (b) The details of the investments in quoted shares as at 30 September 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 30 September 2001	385

- 7 There were no material changes in the composition of the Company and of the Group for the current quarter and financial year-to-date.

8 On 20 June 2001, the Company announced the proposed acquisition of a piece of agricultural land by its wholly-owned subsidiary company, Tanjung Bahagia Sdn Bhd, measuring approximately 8,830 hectares situated at Sungai Tongod, District of Kinabatangan, Sandakan, Sabah (“the Proposed Land Acquisition”) from Hap Seng Consolidated Berhad (“Hap Seng”) for a total cash consideration of RM56.73 million plus reimbursement of plantation expenses incurred by Hap Seng. The Proposed Land Acquisition was approved by the Foreign Investment Committee vide their letter dated 17 August 2001.

As at 21 November 2001, the Proposed Land Acquisition is still subject to and conditional upon the following approvals being obtained within a period of 6 months from the date of the Sale and Purchase Agreement signed on 20 June 2001 or such extended period as may be mutually agreed between the buyer and the seller:

- the consent and permission from the Director of Lands and Surveys, Sabah, for the transfer of the said land to Asiatic;
- the completion of the due diligence inquiry as specified in the aforesaid agreement; and
- any other approvals as may be required by the relevant authorities.

9 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 financial year-to-date.

10 The details of the Group’s borrowings as at 30 September 2001 are as set out below:

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

11 There were no changes in contingent liabilities since the last financial year ended 31 December 2000 and up to 21 November 2001.

12 There are no financial instruments with off balance sheet risk as at 21 November 2001.

13 As reported in the Second Quarterly Report dated 28 August 2001, the Group had received an additional compensation pursuant to a Court Order and Certificate of Payment (“COCP”) in respect of a piece of freehold land and plantation compulsorily acquired by the government in 1996 and that the defendant has filed a Summon in Chambers to set aside the COCP. The hearing which was scheduled for 11 October 2001 has been postponed to 29 January 2002.

The Group had received legal advice that there is no legal basis for the above application and accordingly, the receipt had been recognised under exceptional items in the current quarter.

Other than the above, there are no pending material litigations as at 21 November 2001.

14 Segment analysis for the current financial year-to-date is set out below:

	REVENUE		PROFIT BEFORE TAXATION		ASSETS EMPLOYED AS AT	
	30/9/2001	30/9/2000	30/9/2001	30/9/2000	30/9/2001	30/9/2000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<i>By activity</i>						
Plantation	108,627	129,100	17,609	31,181	503,717	485,252
Property	30,401	43,043	4,686	6,466	496,755	505,112
	<u>139,028</u>	<u>172,143</u>	<u>22,295</u>	<u>37,647</u>	<u>1,000,472</u>	<u>990,364</u>
<i>Non-segment items</i>						
Interest-bearing investments	-	-	4,876	5,831	220,740	179,859
Others	-	-	36,291	9,744	26,204	31,091
	-	-	41,167	15,575	246,944	210,950
	<u>139,028</u>	<u>172,143</u>	<u>63,462</u>	<u>53,222</u>	<u>1,247,416</u>	<u>1,201,314</u>

15 For the current quarter, the Group registered a substantially higher profit before tax of RM43.3 million as compared to RM9.7 million in the immediate preceding quarter. The improved performance was mainly due to better palm product prices along with a higher exceptional gain of RM27.7 million (2Q 2001 : RM3.4 million) arising from disposals of land and additional compensation received in respect of land compulsorily acquired by the government previously. Excluding exceptional items, profit before tax for the current quarter is RM15.7 million as compared to RM6.3 million in the immediate preceding quarter.

16 The Group's profit before exceptional items and tax of RM15.7 million for the current quarter is 24.4% higher than the same quarter last year as both plantation and property divisions registered improved performances on the back of higher palm product prices and progressive profit recognised from sale of higher margin properties.

For the current financial year-to-date, the Group registered a profit before tax of RM63.5 million as compared to RM53.2 million in the previous year's corresponding period or an improvement of 19.2% mainly due to higher exceptional gain as aforementioned. However, excluding exceptional items, profit before tax for the current financial year to-date amounted to RM27.7 million or 36.4% lower than the same period last year as plantation and property earnings declined by 43.5% and 27.5% respectively on the back of weaker palm product prices and property market.

17 There has not arisen in the interval between 30 September 2001 and 21 November 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 operations of the Company and of the Group.

18 The production of fresh fruit bunches ('FFB') is seasonal in nature as crop normally peaks in the second half of the year.

19 Barring any unforeseen circumstances, the Directors are of the opinion that the performance of the Group for the remaining period of the financial year ending 31 December 2001 is expected to be satisfactory.

20 The Group did not issue any profit forecast or profit guarantee for the year.

- 21 (a) No dividend has been declared or recommended for the current quarter ended 30 September 2001.
- (b) Total dividend paid for the current financial year ending 31 December 2001 was an interim dividend of 1.5 sen per ordinary share of 50sen each, less 28% tax.
- 22 As at 30 September 2001, the Company has 3,142,000 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 below the fair value of the Company’s shares for the current financial year-to-date, the options are deemed to be dilutive.

By order of the Board

TAN SRI MOHD AMIN BIN OSMAN
Chairman
Asiatic Development Berhad