



ASIATIC DEVELOPMENT BERHAD

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

28 February 2001

Quarterly report on consolidated results for the financial period ended 31 December 2000. The figures for the cumulative period have been audited.

CONSOLIDATED INCOME STATEMENT

	UNAUDITED INDIVIDUAL QUARTER		AUDITED CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31/12/2000 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/12/1999 RM'000	CURRENT YEAR TO DATE 31/12/2000 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/1999 RM'000
1 (a) Turnover	58,640	85,766	230,783	446,811
(b) Investment income	-	-	-	-
(c) Other income including interest income	1,803	2,163	7,634	4,778
2 (a) Operating profit before interest on borrowings, depreciation and amortisation, exceptional items, income tax, minority interests and extraordinary items	18,579	72,186	69,922	228,387
(b) Interest on borrowings	-	(4)	-	(19)
(c) Depreciation and amortisation	(2,198)	(2,238)	(9,952)	(10,033)
(d) Exceptional items	-	49,754	9,741	54,921

	UNAUDITED		AUDITED	
	CURRENT YEAR 31/12/2000 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/12/1999 RM'000	CURRENT YEAR TO DATE 31/12/2000 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/1999 RM'000
(e) Operating profit after interest on borrowings, depreciation and amortisation and exceptional items but before income tax, minority interests and extraordinary items	16,381	119,698	69,711	273,256
(f) Share in the results of associated companies	282	157	174	(415)
(g) Profit before taxation, minority interests and extraordinary items	16,663	119,855	69,885	272,841
(h) Taxation	(3,092)	1,087	(15,378)	75
(i) (i) Profit after taxation before deducting minority interests	13,571	120,942	54,507	272,916
(ii) Minority interests	(889)	(2,390)	(873)	(6,631)
(j) Profit after taxation attributable to Members of the Company	12,682	118,552	53,634	266,285
(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	12,682	118,552	53,634	266,285

	UNAUDITED		AUDITED	
	CURRENT YEAR QUARTER 31/12/2000 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/12/1999 RM'000	CURRENT YEAR TO DATE 31/12/2000 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/1999 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	1.71	15.99	7.23	35.92
(ii) Fully diluted (based on 741,335,000 ordinary shares) - sen	1.71	15.99	7.23	35.92
4 (a) Dividend per share - sen	1.50	3.50	3.00	5.00
	=====	=====	=====	=====
(b) Dividend description				
(i) Interim dividend per ordinary share of 50 sen each, less 28% tax - sen	-	-	1.50	1.50
(ii) Proposed final dividend per ordinary share of 50 sen each, less 28% tax - sen	1.50	3.50	1.50	3.50
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	1.50	3.50	3.00	5.00
	=====	=====	=====	=====



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CONSOLIDATED BALANCE SHEET

	(Audited) AS AT CURRENT FINANCIAL YEAR END 31/12/2000 RM'000	(Audited) AS AT PRECEDING FINANCIAL YEAR END 31/12/1999 RM'000
EMPLOYMENT OF CAPITAL:		
1 FIXED ASSETS	492,008	502,789
2 REAL PROPERTY ASSETS	250,064	231,246
3 ASSOCIATED COMPANIES	19,980	21,038
4 INVESTMENTS	289	638
5 CURRENT ASSETS		
Property development	90,934	69,088
Inventories	117,332	132,230
Trade receivables	15,881	48,215
Other receivables	22,206	16,009
Amount due from associated companies	904	933
Short-term investments	106,708	22,814
Bank balances and deposits	85,073	167,586
	<u>439,038</u>	<u>456,875</u>
6 CURRENT LIABILITIES		
Short-term borrowings	-	186
Trade payables	67,362	78,200
Other payables	12,911	18,354
Amount due to holding and other related companies	850	22
Taxation	-	9,947
Proposed dividend	8,006	18,682
	<u>89,129</u>	<u>125,391</u>
7 NET CURRENT ASSETS	<u>349,909</u>	331,484
	<u>1,112,250</u>	<u>1,087,195</u>
CAPITAL EMPLOYED:		
SHARE CAPITAL	370,668	370,668
RESERVES		
Share premium	25,663	25,663
Revaluation reserve	19,829	23,028
Retained profit	670,916	630,095
Exchange differences	(637)	(695)
	<u>715,771</u>	<u>678,091</u>
8 SHAREHOLDERS' FUNDS	1,086,439	1,048,759
9 MINORITY INTERESTS	10,683	21,316
10 LONG-TERM AND DEFERRED LIABILITIES		
Long-term borrowings	5,388	5,388
Deferred taxation	4,255	6,641
Provision for Directors' retirement gratuities	5,485	5,091
	<u>15,128</u>	<u>17,120</u>
	<u>1,112,250</u>	<u>1,087,195</u>
11 NET TANGIBLE ASSETS PER SHARE (RM)	1.47	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 are as set out below:

	2000 RM'000	1999 RM'000
Net surplus arising from freehold land and plantations acquired by the government	3,776	54,921
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	5,965	-
Total	9,741	54,921

- 3 There were no extraordinary items for the current year.
- 4 Taxation charges include the following:

	2000 RM'000	1999 RM'000
Over provision in respect of prior years	(42)	(866)
Deferred tax(credit)/charge	(2,386)	800

- 5 The results for the current year do not include any pre-acquisition profits.
- 6 The results for the current year 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.
(b) The details of the investments in quoted shares as at 31 December 2000 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 December 2000	289

- 8 There were no changes in the composition of the Company and of the Group for the current year 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 21 February 2001.
- 10 The production of fresh fruit bunches ('FFB') is seasonal in nature with crop peaking in the second half of the year.
- 11 Pursuant to the Asiatic Executive Share Option Scheme ('AESOS'), options to subscribe for 3,304,000 ordinary shares at 92 sen per share of the Company were granted during the current quarter to all eligible executives of the Group. These options are exercisable between 11 November 2003 and 31 August 2010. In accordance with the provisions laid down by Malaysian Accounting Standards Board 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 exercise price of the options is below its fair value. Since the exercise price of the AESOS is above the fair value of the Company's shares for the current quarter and the current year, the option is deemed non-dilutive.

Apart from the above, 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.

- 12 The details of the Group's borrowings as at 31 December 2000 are as set out below:

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

- 13 Contingent liability as at 21 February 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 21 February 2001.
- 15 There are no pending material litigations as at 21 February 2001.
- 16 Segment analysis for the current year is set out below:

	TURNOVER		PROFIT BEFORE TAXATION		ASSETS EMPLOYED AS AT	
	31/12/2000 RM'000	31/12/1999 RM'000	31/12/2000 RM'000	31/12/1999 RM'000	31/12/2000 RM'000	31/12/1999 RM'000
<i>By activity</i>						
Plantation	163,272	229,059	39,018	95,130	488,148	479,336
Property	67,511	217,752	14,526	117,462	499,959	498,958
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	230,783	446,811	53,544	212,592	988,107	978,294
<i>Non-segment items</i>						
Interest-bearing investments	-	-	7,634	4,778	184,157	185,225
Others	-	-	8,707	55,471	29,115	49,067
	-	-	16,341	60,249	213,272	234,292
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	230,783	446,811	69,885	272,841	1,201,379	1,212,586
	=====	=====	=====	=====	=====	=====

- 17 The Group achieved a pre-tax profit of RM16.7 million or some 10% lower than the preceding quarter. The lower profit was mainly due to decline in profit contribution from the plantation division as a result of weaker palm oil prices and lower exceptional gains as compared to the preceding quarter.

The impact of these adverse factors was mitigated by a 14% increase in FFB production and an improved contribution from the property division as a result of write back of development expenditure of RM5.9 million in respect of completed phases during the quarter under review.

- 18 The Group achieved a lower pre-tax profit of RM69.9 million for the current financial year as against RM272.8 achieved in the previous financial year or a decline of 74%.

The performance of the Group was adversely affected by the weak palm oil prices that prevailed throughout the current financial year coupled with a soft property market, particularly for commercial and industrial properties.

Aside from the above, exceptional gains realised in the current financial year amounted to only RM9.7 million as compared to RM54.9 million previously.

There has not arisen in the interval between 31 December 2000 and 21 February 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 The bearish sentiments in the palm oil and property market are not expected to improve significantly in the near term. In view of this and barring any unforeseen circumstances, the Directors are of the opinion that the operating performance of the Group for the coming financial year is expected to be lower than the financial year under review.

- 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) A final dividend for the financial year ended 31 December 2000 has been recommended by the Directors for approval by shareholders.

(b) (i) The recommended final dividend, if approved, would amount to 1.5 sen less 28% tax per ordinary share of 50 sen each.

(ii) The final dividend paid in the previous financial year ended 31 December 1999 was 3.5 sen less 28% tax per ordinary share of 50 sen each.

(iii) Total annual net dividend

	2000 RM'000	1999 RM'000
Interim - 1.5 sen (1999 : 1.5 sen) less 28% tax per share	8,006	8,006
Proposed final - 1.5 sen (1999 : 3.5 sen) less 28% tax per share	8,006	18,682
Total	16,012	26,688

(c) The date of payment of the recommended final dividend shall be determined by the Directors and announced at a later date.

22. The presentation of the accounts for the current financial year has been extended to comply with the MASB Standards. Accordingly, certain comparative figures have been reclassified and/or expanded to ensure comparability with the current financial year.

By order of the Board

TAN SRI MOHD AMIN BIN OSMAN
Chairman
Asiatic Development Berhad