



ASIATIC DEVELOPMENT BERHAD

(Incorporated in Malaysia under Company No : 34993-X)
 10th Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia. P.O. Box 11224,
 50740 Kuala Lumpur. Tel: 03-21613733/2023733 Fax: 03-21616149 Telex: ADSB MA 31250
 Website: <http://www.asiatic.com.my> E-mail: info@asiatic.com.my

SECOND QUARTERLY REPORT

29 August 2002

Quarterly report on consolidated results for the financial period ended 30 June 2002. The figures have not been audited.

CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30/6/2002 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/6/2001 RM'000	CURRENT YEAR TO DATE 30/6/2002 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/6/2001 RM'000
1 (a) Revenue	67,343	45,386	127,081	85,976
(b) Investment income	-	-	-	-
(c) Other income	1,305	1,720	2,850	3,195
2 (a) Profit/(loss) before finance cost, depreciation and amortisation, exceptional items, income tax, minority interests and extraordinary items	26,343	9,118	49,764	17,625
(b) Finance cost	-	-	-	-
(c) Depreciation and amortisation	(2,336)	(2,615)	(4,614)	(5,218)
(d) Exceptional items	470	3,382	470	8,148

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30/6/2002 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/6/2001 RM'000	CURRENT YEAR TO DATE 30/6/2002 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/6/2001 RM'000
(e) Profit/(loss) before income tax, minority interests and extraordinary items	24,477	9,885	45,620	20,555
(f) Share of profits/(losses) of associated companies	353	(160)	976	(428)
(g) Profit/(loss) before income tax, minority interests and extraordinary items after share of profits and losses of associated companies	24,830	9,725	46,596	20,127
(h) Income tax	(4,561)	(2,366)	(8,767)	(3,966)
(i) (i) Profit/(loss) after income tax before deducting minority interests	20,269	7,359	37,829	16,161
(ii) Minority interests	(253)	9	(57)	253
(j) Pre-acquisition profit/(loss)	-	-	-	-
(k) Net profit/(loss) from ordinary activities attributable to members of the Company	20,016	7,368	37,772	16,414
(l) (i) Extraordinary items	-	-	-	-
(ii) Minority interests	-	-	-	-
(iii) Extraordinary items attributable to members of the Company	-	-	-	-
(m) Net profit/(loss) attributable to members of the Company	20,016	7,368	37,772	16,414

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD			
	CURRENT YEAR QUARTER 30/6/2002 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/6/2001 RM'000	CURRENT YEAR TO DATE 30/6/2002 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/6/2001 RM'000		
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 in issue) - sen	2.70	0.99	5.10	2.21	
(b)	Fully diluted (based on 742,383,667 [2001 : 741,335,000] ordinary shares) - sen	2.70	0.99	5.09	2.21	
4	(a)	Dividend per share - sen	1.625	1.50	1.625	1.50
(b)	Dividend description	Interim dividend of 1.625 sen per ordinary share of 50 sen each, less 28% tax, declared on 29 August 2002 and not included in the financial statements as at 30 June in compliance with MASB 19 (Refer Note 1).	Interim dividend of 1.50 sen per ordinary share of 50 sen each, less 28% tax, declared on 28 August 2001 and not included in the financial statements as at 30 June in compliance with MASB 19 (Refer Note 1).	Interim dividend of 1.625 sen per ordinary share of 50 sen each, less 28% tax, declared on 29 August 2002 and not included in the financial statements as at 30 June in compliance with MASB 19 (Refer Note 1).	Interim dividend of 1.50 sen per ordinary share of 50 sen each, less 28% tax, declared on 28 August 2001 and not included in the financial statements as at 30 June in compliance with MASB 19 (Refer Note 1).	



ASIATIC DEVELOPMENT BERHAD

(Incorporated in Malaysia under Company No : 34993-X)
10th Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia. P.O. Box 11224,
50740 Kuala Lumpur. Tel: 03-21613733/2023733 Fax: 03-21616149
Website: <http://www.asiatic.com.my> E-mail: info@asiatic.com.my

CONSOLIDATED BALANCE SHEET

	(Unaudited) AS AT END OF CURRENT FINANCIAL PERIOD 30/6/2002 RM'000	(Audited) AS AT PRECEDING FINANCIAL YEAR END 31/12/2001 RM'000
NON-CURRENT ASSETS		
1 Property, plant and equipment	572,772	560,638
2 Real property assets	245,403	247,794
3 Associated companies	9,060	9,671
4 Amount due from associated companies	6,877	6,877
5 Investments	289	289
6 CURRENT ASSETS		
Property development	90,162	93,608
Inventories	107,193	109,151
Trade and other receivables	61,332	41,512
Amount due from associated companies	922	781
Short term investments	120,092	139,417
Bank balances and deposits	71,356	93,117
	451,057	477,586
7 CURRENT LIABILITIES		
Trade and other payables	67,959	122,491
Amount due to holding and other related companies	236	1,009
Taxation	1,449	1,269
Final dividend payable	10,675	-
	80,319	124,769
8 NET CURRENT ASSETS	370,738	352,817
	1,205,139	1,178,086
FINANCED BY		
SHARE CAPITAL	370,668	370,668
RESERVES		
Share premium	25,663	25,663
Revaluation reserve	19,659	19,668
Exchange differences	(699)	(699)
Unappropriated profit	761,995	734,889
	806,618	779,521
9 SHAREHOLDERS' EQUITY	1,177,286	1,150,189
10 MINORITY INTERESTS	11,565	11,516
11 NON-CURRENT LIABILITIES		
Long term borrowings	5,388	5,388
Deferred taxation	5,323	5,416
Provision for Directors' retirement gratuities	5,577	5,577
	16,288	16,381
	1,205,139	1,178,086
12 NET TANGIBLE ASSETS PER SHARE (RM)	1.59	1.55

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 audited financial statements for the year ended 31 December 2001 as well as new approved accounting standards which are applicable for the current financial year. Consequently, in compliance with Malaysian Accounting Standards Board (“MASB”) No. 19, Events After the Balance Sheet, dividends proposed or declared after the balance sheet date are not recognised as a liability at the balance sheet date. As a result, the Group’s Unappropriated Profit at the beginning of the year has been adjusted by a prior period adjustment as follows:

	RM’000
Unappropriated Profit at beginning of the year:	
As previously reported	724,214
Prior period adjustment	
- Proposed final dividend for year ended 31 December 2001	10,675
As restated	734,889

The above restatement of the Group’s Unappropriated Profit at the beginning of the year has the effect of increasing the Net Tangible Assets per Share from RM1.54 to RM1.55.

Upon approval of the proposed final dividend by shareholders at the Annual General Meeting held on 24 June 2002, this dividend was recognised as a liability in the balance sheet.

- 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.
- 4 Tax charges for the current financial year-to-date are as set out below:

	2002 RM’000	2001 RM’000
Malaysian income tax		
- Current year	8,640	3,434
- Under/(over) provision in respect of prior years	73	21
	8,713	3,455
Deferred tax (credit)/charge	(93)	342
	8,620	3,797
Share in tax of associated companies	147	169
	8,767	3,966

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 and reinvestment allowance brought forward.

- 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 June 2002 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 June 2002	367

- 7 There were no material changes in the composition of the Group for the current quarter and financial year-to-date.
- 8 (i) The Company has on 24 June 2002 obtained all the necessary approvals on the proposed amendments to the by-laws governing the Asiatic Executive Share Option Scheme and fresh authorisation for it to purchase up to ten percent (10%) of the issued and paid-up share capital of the Company comprising 741,335,000 ordinary shares of RM0.50 each which last approval was obtained during the Extraordinary General Meeting held on the aforesaid date.
- (ii) On 22 May 2002, the Company announced the proposed acquisition of approximately 13,864 acres of plantation land with a 30 metric tonnes per hour palm oil mill at Bukit Garam, District of Kinabatangan, Sandakan, by two of its subsidiary companies ("Proposed Acquisition") from Abadi Mewah Sdn Bhd and its related companies for a total cash consideration of RM134 million. Approval from the Foreign Investment Committee was obtained on 6 August 2002. As at 22 August 2002, the Proposed Acquisition is subject to the approval of other relevant authorities and the completion of a due diligence to the full satisfaction of the Company.
- 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 June 2002 are as set out below:

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

- 11 There were no changes in contingent liabilities since the last financial year ended 31 December 2001 and up to 22 August 2002.
- 12 There are no financial instruments with off balance sheet risk as at 22 August 2002.
- 13 There are no pending material litigations as at 22 August 2002.

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

	Plantation		Property		Others		Total	
	30.6.2002	30.6.2001	30.6.2002	30.6.2001	30.6.2002	30.6.2001	30.6.2002	30.6.2001
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue - external	<u>110,468</u>	<u>67,905</u>	<u>16,613</u>	<u>18,071</u>	<u>-</u>	<u>-</u>	<u>127,081</u>	<u>85,976</u>
Segment profit	<u>39,802</u>	<u>6,229</u>	<u>1,644</u>	<u>2,328</u>	<u>854</u>	<u>655</u>	<u>42,300</u>	<u>9,212</u>
Interest income							2,850	<u>3,195</u>
Exceptional gain from disposals of land							470	<u>8,148</u>
Share of profit/(loss) of associated companies	<u>954</u>	<u>571</u>	<u>-</u>	<u>8</u>	<u>22</u>	<u>(1,007)</u>	<u>976</u>	<u>(428)</u>
Profit from ordinary activities before taxation							<u>46,596</u>	<u>20,127</u>
Taxation							<u>(8,767)</u>	<u>(3,966)</u>
Profit from ordinary activities after taxation							<u>37,829</u>	<u>16,161</u>
Minority interests							<u>(57)</u>	<u>253</u>
Net profit for the period							<u>37,772</u>	<u>16,414</u>
Other information:								
a) Assets								
i) Segment assets	<u>581,711</u>	<u>486,499</u>	<u>492,160</u>	<u>504,223</u>	<u>4,800</u>	<u>14,356</u>	<u>1,078,671</u>	<u>1,005,078</u>
ii) Investments in associated companies	<u>8,138</u>	<u>7,845</u>	<u>956</u>	<u>694</u>	<u>(34)</u>	<u>(9,178)</u>	<u>9,060</u>	<u>(639)</u>
iii) Interest bearing instruments							189,008	<u>194,307</u>
iv) Unallocated corporate assets							<u>8,719</u>	<u>17,229</u>
Total assets							<u>1,285,458</u>	<u>1,215,975</u>
b) Liabilities								
i) Segment liabilities	<u>27,800</u>	<u>24,829</u>	<u>45,580</u>	<u>58,216</u>	<u>156</u>	<u>173</u>	<u>73,536</u>	<u>83,218</u>
ii) Unallocated corporate liabilities							<u>23,071</u>	<u>11,530</u>
Total liabilities							<u>96,607</u>	<u>94,748</u>
c) Other disclosures								
i) Capital expenditure	<u>17,028</u>	<u>6,850</u>	<u>420</u>	<u>319</u>	<u>-</u>	<u>-</u>	<u>17,448</u>	<u>7,169</u>
ii) Depreciation and amortisation	<u>4,096</u>	<u>4,700</u>	<u>424</u>	<u>424</u>	<u>94</u>	<u>94</u>	<u>4,614</u>	<u>5,218</u>

- 15 The Group recorded a higher profit before tax of RM24.8 million in the second quarter as compared to RM21.8 million in the preceding first quarter of 2002 or an increase of 14%. The higher profit was mainly due to higher profit contribution from the plantation segment as a result of better selling prices achieved for palm products.
- 16 The Group registered improved performance for the current quarter and financial year-to-date. For the current quarter, revenue and profit before tax were 48% and 156% higher than that achieved in the previous year's corresponding quarter. Revenue and profit before tax for the current financial year-to-date were 48% and 132% higher than those achieved in the previous year's corresponding period. Excluding exceptional items, the profit for the current quarter and financial year-to-date improved by 286% and 284% respectively over the same quarter and financial year-to-date in 2001.

The improved performance was mainly due to better palm products prices which improvement had more than off-set the lower contribution from the property segment.

The results for the current quarter and financial year-to-date are tabulated below:

	INDIVIDUAL QUARTER			FINANCIAL YEAR-TO-DATE		
	2002 RM'Million	2001 RM'Million	% +/-	2002 RM'Million	2001 RM'Million	% +/-
Revenue						
Plantation	56.6	33.4	+69	110.5	67.9	+63
Property	10.7	12.0	-11	16.6	18.1	-8
	-----	-----		-----	-----	
	67.3	45.4	+48	127.1	86.0	+48
	=====	=====		=====	=====	
Profit before tax and exceptional items						
Plantation	21.0	2.1	+900	39.8	6.2	+542
Property	1.3	2.3	-43	1.6	2.3	-30
Others	2.0	1.9	+5	4.7	3.5	+34
	-----	-----		-----	-----	
	24.3	6.3	+286	46.1	12.0	+284
Exceptional items	0.5	3.4	-85	0.5	8.1	-94
	-----	-----		-----	-----	
	24.8	9.7	+156	46.6	20.1	+132
	=====	=====		=====	=====	

- 17 There has not arisen in the interval between 30 June 2002 and 22 August 2002, 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 and normally peaks in the second half of the year.

- 19 The current CPO price level will augur well for the Plantation Division. Barring any unforeseen circumstances, the Directors are of the opinion that the operating performance of the Group for the remaining half year is expected to be better than the first half of this year.
- 20 The Group did not issue any profit forecast or profit guarantee for the year.
- 21 (a) i) An interim dividend for the half year ended 30 June 2002 has been declared by the Directors.
- ii) The interim dividend for the half year ended 30 June 2002 is 1.625 sen per ordinary share of 50 sen each, less 28% tax.
- iii) The interim dividend declared and paid for the previous year's corresponding period was 1.5 sen per ordinary share of 50 sen each, less 28% tax.
- iv) The interim dividend shall be payable on 21 October 2002.
- b) The total dividend payable for the current financial year-to-date is 1.625 sen per ordinary share of 50 sen each, less 28% tax.
- 22 As at 30 June 2002, the Company has 3,042,000 unissued ordinary shares outstanding at an excisable price of 92 sen per share 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 quarter and the 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