



ASIATIC DEVELOPMENT BERHAD

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

27 February 2002

Quarterly report on consolidated results for the financial period ended 31 December 2001. The figures for the cumulative period have been audited.

CONSOLIDATED INCOME STATEMENT

	UNAUDITED INDIVIDUAL QUARTER		AUDITED CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31/12/2001 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2000 RM'000	CURRENT YEAR TO DATE 31/12/2001 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2000 RM'000
1 (a) Revenue	60,835	58,640	199,863	230,783
(b) Investment income	-	-	-	-
(c) Other income	1,572	1,803	6,448	7,634
2 (a) Profit/(Loss) before finance cost depreciation and amortisation, exceptional items, income tax, minority interests and extraordinary items	24,424	18,579	60,173	69,922
(b) Finance cost	-	-	-	-
(c) Depreciation and amortisation	(1,193)	(2,198)	(9,069)	(9,952)
	23,231	16,381	51,104	59,970
(d) Exceptional items	(935)	-	34,868	9,741

	UNAUDITED		AUDITED	
	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
	QUARTER	CORRESPONDING QUARTER	TO DATE	CORRESPONDING PERIOD
	31/12/2001	31/12/2000	31/12/2001	31/12/2000
	RM'000	RM'000	RM'000	RM'000
(e) Profit/(loss) before income tax, minority interests and extraordinary items	22,296	16,381	85,972	69,711
(f) Share of profits/(losses) of associated companies	1,391	282	1,177	174
(g) Profit/(loss) before income tax, minority interests and extraordinary items after share of profits and losses of associated companies	23,687	16,663	87,149	69,885
(h) Income tax	(5,054)	(3,092)	(14,463)	(15,378)
(i) (i) Profit/(loss) after income tax before deducting minority interests	18,633	13,571	72,686	54,507
(ii) Minority interests	(676)	(889)	(868)	(873)
(j) Pre-acquisition profit/(loss)	-	-	-	-
(k) Net profit/(loss) from ordinary activities attributable to members of the Company	17,957	12,682	71,818	53,634
(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	17,957	12,682	71,818	53,634

	UNAUDITED		AUDITED	
	CURRENT YEAR 31/12/2001 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2000 RM'000	CURRENT YEAR TO DATE 31/12/2001 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2000 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) - sen			
	2.42	1.71	9.69	7.23
(b)	Fully diluted (based on 742,177,960 [2001: 741,335,000] ordinary shares) - sen			
	2.42	1.71	9.68	7.23
4	(a) Dividend per share - sen			
	2.00	1.50	3.50	3.00
	=====	=====	=====	=====
(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			
	2.00	1.50	2.00	1.50
	-----	-----	-----	-----
	2.00	1.50	3.50	3.00
	=====	=====	=====	=====



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CONSOLIDATED BALANCE SHEET

	(Audited) AS AT END OF CURRENT FINANCIAL PERIOD 31/12/2001 RM'000	(Audited) AS AT PRECEDING FINANCIAL YEAR END 31/12/2000 RM'000
ASSETS		
1	PROPERTY, PLANT AND EQUIPMENT	492,008
2	REAL PROPERTY ASSETS	250,064
3	(i) ASSOCIATED COMPANIES	1,199
3	(ii) AMOUNT DUE FROM ASSOCIATED COMPANIES	18,781
4	INVESTMENTS	289
5	CURRENT ASSETS	
	Property development	90,934
	Inventories	117,332
	Trade and other receivables	38,087
	Amount due from associated companies	904
	Short term investments	106,708
	Bank balances and deposits	85,073
	477,586	439,038
6	CURRENT LIABILITIES	
	Trade and other payables	80,273
	Amount due to holding and other related companies	850
	Taxation	-
	Dividends	8,006
	135,444	89,129
7	NET CURRENT ASSETS	
	342,142	349,909
	1,167,411	1,112,250
FINANCED BY		
8	SHAREHOLDERS' EQUITY	
	SHARE CAPITAL	370,668
	RESERVES	
	Share premium	25,663
	Revaluation reserve	19,829
	Retained profit	670,916
	Exchange differences	(637)
	768,846	715,771
	1,139,514	1,086,439
9	MINORITY INTERESTS	10,683
10	LONG TERM LIABILITIES	
	Long term borrowings	5,388
	Deferred taxation	4,255
	Provision for Directors' retirement gratuities	5,485
	16,381	15,128
	1,167,411	1,112,250
11	NET TANGIBLE ASSETS PER SHARE (RM)	1.54
		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 items for the current quarter and financial year-to-date represent net surplus arising from disposals of freehold land and additional compensation received in respect of land compulsorily acquired by the government previously.
- 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
Malaysian income tax		
- Current year	12,599	17,088
- Under/(over) provision in respect of prior years	79	(42)
	-----	-----
	12,678	17,046
Deferred tax charge/(credit)		
- Current Year	(745)	(2,386)
- Over provision in respect of prior years	1,906	-
	1,161	(2,386)
Share in tax of associated companies	624	718
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	14,463	15,378
	=====	=====

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 31 December 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 December 2001	499

- 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 (a) 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 Acquisition became unconditional on 11 December 2001.
- (b) On 28 November 2001, the Company through Commerce International Merchant Bankers Berhad, announced the proposed amendments to the by-laws governing the Asiatic Executive Share Option Scheme (“AESOS”) (“the Proposed Amendments”) to reflect the new guidelines on ESOS issued on 10 May 2001 by the Securities Commission (“the SC”) as well as to render consistency throughout.

As at 20 February 2002, the Proposed Amendments are subject to the approvals of the SC, shareholders of the Company at an Extraordinary General to be convened and any other parties as 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 31 December 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 20 February 2002.
- 12 There are no financial instruments with off balance sheet risk as at 20 February 2002.
- 13 As reported in the Third Quarterly Report dated 28 November 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 had filed a Summon in Chambers to set aside the COCP.

A letter dated 11 December 2001 was received from the defendant’s lawyers stating that the defendant had withdrawn its application to set aside the COCP.

Other than the above, there are no pending material litigations as at 20 February 2002.

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

	REVENUE		PROFIT BEFORE TAXATION		ASSETS EMPLOYED AS AT	
	31/12/2001 RM'000	31/12/2000 RM'000	31/12/2001 RM'000	31/12/2000 RM'000	31/12/2001 RM'000	31/12/2000 RM'000
<i>By activity</i>						
Plantation	155,999	163,272	31,676	39,018	559,542	488,148
Property	43,864	67,511	12,500	14,526	491,409	499,959
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	199,863	230,783	44,176	53,544	1,050,951	988,107
<i>Non-segment items</i>						
Interest-bearing investments	-	-	6,448	7,634	225,789	184,157
Others	-	-	36,525	8,707	26,115	29,115
	-	-	42,973	16,341	251,904	213,272
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	199,863	230,783	87,149	69,885	1,302,855	1,201,379
	=====	=====	=====	=====	=====	=====

15 For the current quarter, the Group registered a lower profit before tax of RM23.7 million or a 45% decline compared to RM43.3 million in the immediate preceding quarter. The lower profit was mainly due to an exceptional loss of RM0.9 million in the current quarter as compared to a gain of RM27.7 million arising from disposals of land and additional compensation received in respect of land compulsorily acquired by the government previously, in the preceding quarter.

Excluding the exceptional items, the Group registered a profit before tax of RM24.6 million or an increase of 57% over that of the immediate preceding quarter. The increase was achieved on the back of improved performances from both Plantation and Property divisions.

Whilst the improvement from the Plantation Division was attributable to higher FFB production, the higher profit contribution from the Property Division was mainly attributable to profit from sale of a 42-acre land in Desa Cheng Perdana, Melaka.

16 The Group's profit before exceptional items and tax of RM24.6 million for the current quarter is 48% higher than the same quarter last year, principally due to higher palm product prices which more than offset the 6% deficit in FFB production and the lower profit contribution from the Property Division.

For the current financial year, the Group registered a revenue of RM199.9 million and profit before tax of RM87.1 million as compared to a revenue of RM230.8 million and profit before tax of RM69.9 million in the previous year. The Group's profit before tax for the current financial year is 25% higher than the preceding financial year mainly due to higher exceptional gain arising from the aforesaid disposals of land and additional compensation received.

Excluding exceptional items, profit before tax for the current financial year was RM52.3 million or 13% lower than RM60.1 million in 2000 as both plantation and property earnings declined by 19% and 14% respectively on the back of weaker palm product prices and property market.

17 There has not arisen in the interval between 31 December 2001 and 20 February 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 where crop normally peaks in the second half of the year.
- 19 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 satisfactory.
- 20 The Group did not issue any profit forecast or profit guarantee for the year.
- 21 (a) (i) A final ordinary dividend for the financial year ended 31 December 2001 has been recommended by the Directors for approval by shareholders;
- (ii) The recommended final dividend, if approved, would amount to 2.0 sen less 28% tax per ordinary share of 50 sen each;
- (iii) The final dividend paid for the previous financial year ended 31 December 2000 was 1.5 sen less 28% tax per ordinary share of 50 sen each; and
- (iv) The date of payment of the recommended final dividend shall be determined by the Directors and announced at a later date; and
- (b) Total dividend payable for the current financial year ended 31 December 2001, including the above recommended final dividend, if approved, would amount to 3.5 sen less 28% tax per ordinary share of 50 sen each.
- 22 As at 31 December 2001, the Company has 3,136,000 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