



ASIATIC DEVELOPMENT BERHAD

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

30 May 2002

Quarterly report on consolidated results for the financial period ended 31 March 2002. The figures have not been audited.

CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31/3/2002 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/3/2001 RM'000	CURRENT YEAR TO DATE 31/3/2002 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/3/2001 RM'000
1 (a) Revenue	59,738	40,590	59,738	40,590
(b) Investment income	-	-	-	-
(c) Other income including interest income	1,545	1,475	1,545	1,475
2 (a) Operating profit before interest on borrowings, depreciation and amortisation, exceptional item, income tax, minority interests and extraordinary items	23,421	8,507	23,421	8,507
(b) Interest on borrowings	-	-	-	-
(c) Depreciation and amortisation	(2,278)	(2,603)	(2,278)	(2,603)
(d) Exceptional item	-	4,766	-	4,766

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31/3/2002 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/3/2001 RM'000	CURRENT YEAR TO DATE 31/3/2002 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/3/2001 RM'000
(e) Operating profit after interest on borrowings, depreciation and amortisation and exceptional item but before income tax, minority interests and extraordinary items	21,143	10,670	21,143	10,670
(f) Share in the results of associated companies	623	(268)	623	(268)
(g) Profit before taxation, minority interests and extraordinary items	21,766	10,402	21,766	10,402
(h) Taxation	(4,206)	(1,600)	(4,206)	(1,600)
(i) (i) Profit after taxation before deducting minority interests	17,560	8,802	17,560	8,802
(ii) Minority interests	196	244	196	244
(j) Profit after taxation attributable to Members of the Company	17,756	9,046	17,756	9,046
(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	17,756	9,046	17,756	9,046

		INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
		CURRENT YEAR	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		31/3/2002	31/3/2001	31/3/2002	31/3/2001
		RM'000	RM'000	RM'000	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	2.40	1.22	2.40	1.22
	(ii) Fully diluted (based on 742,156,087 [2001 : 741,335,000] ordinary shares in issue) - sen	2.39	1.22	2.39	1.22
4	(a) Dividend per share - sen	-	-	-	-
	(b) Dividend description	-	-	-	-



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CONSOLIDATED BALANCE SHEET

	(Unaudited) AS AT END OF CURRENT FINANCIAL PERIOD 31/3/2002 RM'000	(Audited) AS AT PRECEDING FINANCIAL YEAR END 31/12/2001 RM'000	
ASSETS			
1	PROPERTY, PLANT AND EQUIPMENT	568,726	560,638
2	REAL PROPERTY ASSETS	245,759	247,794
3	(i) ASSOCIATED COMPANIES	10,117	9,671
4	(ii) AMOUNT DUE FROM ASSOCIATED COMPANIES	6,877	6,877
4	INVESTMENTS	289	289
5	CURRENT ASSETS		
	Property development	94,856	93,608
	Inventories	108,818	109,151
	Trade and other receivables	40,874	41,512
	Amount due from associated companies	979	781
	Short term investments	145,638	139,417
	Bank balances and deposits	94,413	93,117
		<u>485,578</u>	<u>477,586</u>
6	CURRENT LIABILITIES		
	Trade and other payables	120,135	122,491
	Amount due to holding and other related companies	286	1,009
	Taxation	994	1,269
		<u>121,415</u>	<u>124,769</u>
7	NET CURRENT ASSETS	<u>364,163</u>	<u>352,817</u>
		<u>1,195,931</u>	<u>1,178,086</u>
FINANCED BY			
8	SHAREHOLDERS' EQUITY		
	SHARE CAPITAL	370,668	370,668
	RESERVES		
	Share premium	25,663	25,663
	Revaluation reserve	19,668	19,668
	Exchange differences	(699)	(699)
	Retained profit	741,970	724,214
	Proposed final dividend	10,675	10,675
		<u>797,277</u>	<u>779,521</u>
		<u>1,167,945</u>	<u>1,150,189</u>
9	MINORITY INTERESTS	11,320	11,516
10	LONG TERM LIABILITIES		
	Long term borrowings	5,388	5,388
	Deferred taxation	5,701	5,416
	Provision for Directors' retirement gratuities	5,577	5,577
		<u>16,666</u>	<u>16,381</u>
		<u>1,195,931</u>	<u>1,178,086</u>
11	NET TANGIBLE ASSETS PER SHARE (RM)	<u>1.58</u>	<u>1.55</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 audited financial statements for the year ended 31 December 2001 as well as new approved accounting standards which take effect from the current year. Consequently, dividend proposed after the balance sheet date is not recognised as a liability at the balance sheet date. Such dividend forms a separate component of shareholders' equity in compliance with Malaysian Accounting Standards Board (MASB) No. 19, Events After the Balance Sheet Date. As a result, the shareholders' equity as at 31 December 2001 has been restated by including the proposed dividend of RM10.675 million on the face of the balance sheet as a separate component of equity as allowed by MASB No. 19 and this has the effect of increasing the net tangible assets per share from RM1.54 to RM1.55.
- 2 The exceptional item for the corresponding quarter in 2001 arose from net surplus on disposal of freehold land and plantation.
- 3 There were no extraordinary items for the current quarter.
- 4 Tax charges for the current quarter are as set out below:

	2002 RM'000	2001 RM'000
Malaysian income tax		
- Current year	3,744	1,497
- Under/(over) provision in respect of prior years	-	21
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	3,744	1,518
Deferred tax charge/(credit)		
- Current Year	312	-
- Over provision in respect of prior years	(27)	-
	285	-
Share in tax of associated companies	177	82
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	4,206	1,600
	=====	=====

The effective tax rate for the current quarter 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 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.
- 6 (a) There were no dealings in quoted securities for the current quarter.
- (b) The details of the investments in quoted shares as at 31 March 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 31 March 2002	521

- 7 There were no material changes in the composition of the Company and of the Group for the current quarter.
- 8 (a) On 28 November 2001, the Company through Commerce International Merchant Bankers Berhad (“CIMB”), 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.
- On 16 May 2002, the Company through CIMB, announced that the SC has, vide its letter dated 14 May 2002, approved the Proposed Amendments.
- (b) On 3 May 2002, the Company through CIMB, announced its proposal to seek a fresh authorisation from its shareholders for the purchase of up to ten percent (10%) of the issued and paid-up share capital of the Company comprising of 741,335,000 ordinary shares of RM0.50 (“the Proposed Share Buy-Back”).
- (c) 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.
- (d) As at 23 May 2002, the status of the above proposals are as follows:
- i) 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; and
 - ii) The Proposed Acquisition is conditional upon approvals of the 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 31 March 2002 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 2001 and up to 23 May 2002.
- 12 There are no financial instruments with off balance sheet risk as at 23 May 2002.
- 13 There are no pending material litigations as at 23 May 2002.

14 Segment analysis for the current quarter is set out below:

	Plantation		Property		Others		Total	
	31.3.2002 RM'000	31.3.2001 RM'000	31.3.2002 RM'000	31.3.2001 RM'000	31.3.2002 RM'000	31.3.2001 RM'000	31.3.2002 RM'000	31.3.2001 RM'000
Revenue - external	<u>53,877</u>	<u>34,477</u>	<u>5,861</u>	<u>6,113</u>	<u>-</u>	<u>-</u>	<u>59,738</u>	<u>40,590</u>
Segment profit	<u>18,745</u>	<u>4,117</u>	<u>339</u>	<u>27</u>	<u>514</u>	<u>285</u>	<u>19,598</u>	<u>4,429</u>
Interest income							<u>1,545</u>	<u>1,475</u>
Exceptional gain from disposals of land							-	<u>4,766</u>
Share of profit/(loss) of associated companies	<u>602</u>	<u>263</u>	<u>1</u>	<u>9</u>	<u>20</u>	<u>(540)</u>	<u>623</u>	<u>(268)</u>
Profit from ordinary activities before taxation							<u>21,766</u>	<u>10,402</u>
Taxation							<u>(4,206)</u>	<u>(1,600)</u>
Profit from ordinary activities after taxation							<u>17,560</u>	<u>8,802</u>
Minority interests							<u>196</u>	<u>244</u>
Net profit for the period							<u>17,756</u>	<u>9,046</u>
Other information:								
a) Assets								
i) Segment assets	<u>561,103</u>	<u>483,497</u>	<u>492,789</u>	<u>505,287</u>	<u>5,732</u>	<u>15,302</u>	<u>1,059,624</u>	<u>1,004,086</u>
ii) Investments in associated companies	<u>9,194</u>	<u>8,775</u>	<u>958</u>	<u>781</u>	<u>(35)</u>	<u>(8,707)</u>	<u>10,117</u>	<u>849</u>
iii) Interest bearing instruments							<u>238,194</u>	<u>185,583</u>
iv) Unallocated segment assets							<u>9,411</u>	<u>15,479</u>
Total assets							<u>1,317,346</u>	<u>1,205,997</u>
b) Liabilities								
i) Segment liabilities	<u>77,873</u>	<u>22,956</u>	<u>47,679</u>	<u>58,000</u>	<u>160</u>	<u>164</u>	<u>125,712</u>	<u>81,120</u>
ii) Unallocated segment liabilities							<u>12,369</u>	<u>11,010</u>
Total liabilities							<u>138,081</u>	<u>92,130</u>
c) Other disclosures								
i) Capital expenditure	<u>10,580</u>	<u>2,739</u>	<u>77</u>	<u>121</u>	<u>-</u>	<u>-</u>		
ii) Depreciation and amortisation	<u>2,033</u>	<u>2,342</u>	<u>198</u>	<u>214</u>	<u>47</u>	<u>47</u>		
iii) Allowance for bad and doubtful debts	<u>-</u>	<u>-</u>	<u>-</u>	<u>503</u>	<u>-</u>	<u>-</u>		

- 15 The Group registered a lower profit before tax of RM21.8 million in the first quarter of 2002 as compared to RM23.7 million in the preceding fourth quarter of 2001 or a decline of 8%. The lower profit was mainly due to a 96% drop in profit contribution from the Property Division which more than offset the 36% improvement in profit contribution from the Plantation Division.

The improved profit from the Plantation Division was achieved on the back of higher selling prices of palm products while the lower profit from the Property Division was mainly due to profit from the sale of vacant land which was registered in the fourth quarter of 2001 but not in the current quarter.

- 16 For the first quarter of 2002, the Group achieved a revenue and profit before tax of RM59.7 million and RM21.8 million which when compared to the corresponding quarter in 2001, represents an improvement of 47% and 109% respectively. All business segments recorded improvement in performance, particularly the Plantation Division which recorded a more than four-fold increase in profit from RM4.1 million in 2001 to RM18.7 million in 2002. The improvement in profit from the Plantation Division was mainly due to higher achieved selling prices of palm products which more than offset the 10% decline in FFB production.
- 17 There has not arisen in the interval between 31 March 2002 and 23 May 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 current financial year is expected to be satisfactory.
- 20 The Group did not issue any profit forecast or profit guarantee for the year.
- 21 No dividend has been declared or recommended for the current quarter ended 31 March 2002.
- 22 As at 31 March 2002, the Company has 3,056,000 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, the options are deemed to be dilutive.

By order of the Board

TAN SRI MOHD AMIN BIN OSMAN
Chairman
Asiatic Development Berhad