



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
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FOURTH QUARTERLY REPORT

27 February 2003

Quarterly report on consolidated results for the financial year ended 31 December 2002. The figures for the cumulative period have been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2002

	<i>(Unaudited)</i>		<i>(Audited)</i>	
	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31/12/2002 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2001 RM'000	CURRENT YEAR TO DATE 31/12/2002 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2001 RM'000
Revenue	97,291	60,835	296,099	199,863
Cost of sales	(41,574)	(28,399)	(144,243)	(120,431)
Gross profit	55,717	32,436	151,856	79,432
Other income	12,800	3,096	22,414	48,482
Other expenses	(18,018)	(13,236)	(48,237)	(41,942)
Profit from operations	50,499	22,296	126,033	85,972
Share of results of associated companies	1,370	1,391	4,422	1,177
Profit from ordinary activities before taxation	51,869	23,687	130,455	87,149
Taxation	(12,004)	(5,054)	(29,186)	(14,463)
Profit from ordinary activities after taxation	39,865	18,633	101,269	72,686
Minority shareholders' interests	(590)	(676)	(996)	(868)
Net profit for the period	39,275	17,957	100,273	71,818
Basic earnings per share - sen	5.30	2.42	13.53	9.69
Diluted earnings per share - sen	5.29	2.42	13.51	9.68

(The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2001.)



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CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2002

	(Audited) AS AT END OF CURRENT FINANCIAL YEAR 31/12/2002 RM'000	(Audited) AS AT PRECEDING FINANCIAL YEAR END 31/12/2001 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	719,921	560,638
Real property assets	247,474	247,794
Associated companies	9,810	9,671
Other long term investments	289	289
Long term receivables	5,897	6,877
CURRENT ASSETS		
Property development	86,957	93,608
Inventories	111,513	109,151
Trade and other receivables	37,795	41,512
Amount due from associated companies	763	781
Short term investments	63,535	139,417
Bank balances and deposits	49,543	93,117
	350,106	477,586
CURRENT LIABILITIES		
Trade and other payables	62,542	122,491
Amount due to holding and other related companies	1,025	1,009
Taxation	4,174	1,269
	67,741	124,769
NET CURRENT ASSETS	282,365	352,817
	1,265,756	1,178,086
FINANCED BY		
SHARE CAPITAL	370,668	370,668
RESERVES	860,429	779,521
SHAREHOLDERS' EQUITY	1,231,097	1,150,189
MINORITY INTERESTS	12,504	11,516
NON-CURRENT LIABILITIES		
Long term borrowings	5,388	5,388
Deferred taxation	10,238	5,416
Provision for Directors' retirement gratuities	6,529	5,577
	22,155	16,381
	1,265,756	1,178,086
NET TANGIBLE ASSETS PER SHARE (RM)	1.66	1.55

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2001.)



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2002 (Audited)

	Non-Distributable				Distributable	Total RM'000
	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Reserve on Exchange Differences RM'000	Unapp- ropriated Profit RM'000	
Balance at 1 January 2001 as previously reported	370,668	25,663	19,829	(637)	670,916	1,086,439
Add : Prior period adjustment: Proposed final dividend for year ended 31 December 2000 <i>[see note 1 (a)]</i>	-	-	-	-	8,006	8,006
As restated	370,668	25,663	19,829	(637)	678,922	1,094,445
Net profit/(loss) not recognised in the income statement	-	-	(161)	(62)	161	(62)
Net profit for the financial year	-	-	-	-	71,818	71,818
Appropriation:						
- Final dividend paid for the financial year ended 31 December 2000 <i>(1.5 sen less 28% tax)</i>	-	-	-	-	(8,006)	(8,006)
- Interim dividend paid for the financial year ended 31 December 2001 <i>(1.5 sen less 28% tax)</i>	-	-	-	-	(8,006)	(8,006)
- Proposed final dividend for the year ended 31 December 2001 <i>(2.0 sen less 28% tax)</i>	-	-	-	-	(10,675)	(10,675)
Balance at 31 December 2001 as previously reported	370,668	25,663	19,668	(699)	724,214	1,139,514
Add : Prior period adjustment: Proposed final dividend for year ended 31 December 2001 <i>[see note 1 (a)]</i>	-	-	-	-	10,675	10,675
As restated	370,668	25,663	19,668	(699)	734,889	1,150,189
Net profit/(loss) not recognised in the income statement	-	-	(37)	(16)	37	(16)
Net profit for the financial year	-	-	-	-	100,273	100,273
Appropriation:						
- Final dividend paid for the financial year ended 31 December 2001 <i>(2.0 sen less 28% tax)</i>	-	-	-	-	(10,675)	(10,675)
- Interim dividend declared and paid for the current financial year ended 31 December 2002 <i>(1.625 sen less 28% tax)</i>	-	-	-	-	(8,674)	(8,674)
Balance at 31 December 2002	370,668	25,663	19,631	(715)	815,850	1,231,097

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2001.)



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CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2002

	<i>(Audited)</i> 2002 RM'000	<i>(Audited)</i> 2001 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit from ordinary activities before taxation	130,455	87,149
Adjustments for:		
Depreciation of property, plant and equipment	9,874	9,069
Interest income	(4,695)	(6,448)
Share of results of associated companies	(4,422)	(1,177)
Net surplus and additional compensation arising from disposal of freehold land and plantation	(10,495)	(34,868)
Other adjustments	1,373	2,542
	(8,365)	(30,882)
Operating profit before changes in working capital	122,090	56,267
Changes in working capital:		
Net change in current assets	(7,033)	(10,234)
Net change in current liabilities	2,612	3,304
	(4,421)	(6,930)
Cash generated from operations	117,669	49,337
Tax paid	(13,598)	(11,651)
NET CASH GENERATED FROM OPERATING ACTIVITIES	104,071	37,686
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(219,375)	(24,899)
Other investing activities	15,205	44,075
NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES	(204,170)	19,176
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(19,349)	(16,012)
Dividend paid to minority shareholders	(8)	(35)
NET CASH USED IN FINANCING ACTIVITIES	(19,357)	(16,047)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(119,456)	40,815
CASH AND CASH EQUIVALENTS AT 1 JANUARY	232,534	191,781
Effect of currency translation	-	(62)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	113,078	232,534
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Short term investments	63,535	139,417
Bank balances and deposits	49,543	93,117
Cash and cash equivalents at end of financial year	113,078	232,534

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2001.)

ASIATIC DEVELOPMENT BERHAD
NOTES TO THE INTERIM FINANCIAL REPORT - FOURTH QUARTER ENDED
31 DECEMBER 2002

I) Compliance with MASB 26

a) Accounting Policies and Methods of Computation

The Interim Financial Report has been prepared in accordance with MASB 26 - *Interim Financial Reporting*. The figures for the cumulative period have been audited.

The Interim Financial Report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2001.

The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the audited financial statements for the year ended 31 December 2001 and include new approved accounting standards which are effective and applicable in the current financial year ended 31 December 2002.

Consequently, in compliance with MASB 19 - *Events After The Balance Sheet Date*, dividends proposed by the Directors after the balance sheet date are no longer 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 through a prior period adjustment as follows:

	2001 RM'000
Unappropriated Profit at beginning of the year:	
As previously reported	724,214
Prior period adjustment	
- Proposed final dividend for financial 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.

b) Disclosure of Audit Report Qualification and Status of Matters Raised

The audit report of the preceding annual financial statements was not qualified.

c) Seasonal or Cyclical Factors

The production of fresh fruit bunches ("FFB") is seasonal in nature and normally peaks in the second half of the year.

d) Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flow

The items which were unusual in nature and amount for the relevant periods which had affected the interim financial statements are as follows:

	Current Quarter RM'000	Current Financial Year-to-date RM'000
i) Gains in respect of net surplus arising from disposal of freehold land and plantation.	10,026	10,495
ii) Completion of the acquisition of 13,864 acres of plantation land and a palm oil mill at Bukit Garam, District of Kinabatangan, Sabah by two subsidiary companies from Abadi Mewah Sdn Bhd and its related companies.	-	134,000
iii) Provision for doubtful recovery of advances made to Kenyalang Borneo Sdn Bhd ("KBSB") and sums paid to various vendors of KBSB in accordance with the terms and conditions of the Share Sale and Purchase Agreement dated 12 September 1995.	4,936	4,936

e) Material Changes in Estimates

There were no material changes in estimates of amounts reported in prior interim periods of the current financial year-to-date and that of prior financial years.

f) Changes in Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial year-to-date.

g) Dividend Paid

The following dividends have been paid during the current financial year-to-date:

Date of Payment	Description	RM'000
22 July 2002	Final dividend of 2 sen less 28% tax per ordinary share of 50 sen each for the financial year ended 31 December 2001.	10,675
21 October 2002	Interim dividend of 1.625 sen less 28% tax per ordinary share of 50 sen each for the financial year ended 31 December 2002.	8,674

		19,349
		=====

h) Segment Information

Segment analysis for the current financial year is set out below:

	Plantation RM'000	Property RM'000	Others RM'000	Total RM'000
Revenue – external	257,124	38,975	-	296,099
Segment profit	104,146	10,155	(3,458)	110,843
Interest income				4,695
Gains on sale of land				10,495
Share of results of associated companies	2,850	1,548	24	4,422
Profit from ordinary activities before taxation				130,455
Taxation				(29,186)
Profit from ordinary activities after taxation				101,269
Minority interests				(996)
Net profit for the financial year				100,273

i) Valuation of Property, Plant and Equipment

There were no changes to valuation of property, plant and equipment brought forward from the previous financial year.

j) Material Events Subsequent to the End of Financial Period

There were no material event subsequent to the end of the current financial year that have not been reflected in the financial statements for the financial year ended 31 December 2002.

k) Changes in the Composition of the Group

There was no material change in the composition of the Group for the current financial year-to-date including acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations.

l) Changes in Contingent Liabilities or Contingent Assets

Since the last financial year ended 31 December 2001, there were no significant changes in contingent liabilities or contingent assets other than the expiry of the counter indemnity of RM5 million given by the Company to a local licensed bank for a bank guarantee issued on behalf of a wholly-owned subsidiary company.

m) Capital Commitments

Capital commitments not provided for in the financial statements as at 31 December 2002 are as follows:

	RM'000
Authorised capital expenditure not provided for in the financial statements	
- contracted	94,869
- not contracted	55,838
	150,707
Analysed as follows:	
- Property, plant and equipment	73,388
- Proposed acquisition by Asiatic Land Development Sdn Bhd (“ALDSB”) of the remaining 30% equity in Asiatic Indahpura Development Sdn Bhd (“AIDSB”)	77,319 *
	150,707

* Please refer to Note II (8) for further information.

**ADDITIONAL INFORMATION REQUIRED BY THE KUALA LUMPUR STOCK EXCHANGE –
FOURTH QUARTER ENDED 31 DECEMBER 2002**

II) Compliance with Appendix 9(B) of the KLSE Listing Requirements

1) Review of Performance

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	85.2	47.4	+80	257.1	156.0	+65
Property	12.1	13.5	-10	39.0	43.9	-11
	97.3	60.9	+60	296.1	199.9	+48
Profit before tax and unusual items						
Plantation	36.7	13.9	+164	104.1	30.9	+237
Property	7.7	7.8	-1	10.2	12.5	-18
Others	2.4	2.8	-14	10.6	8.8	+20
	46.8	24.5	+91	124.9	52.2	+139
Provision for doubtful recoveries <i>[see note I(d)(iii)]</i>	(4.9)	-		(4.9)	-	
Gains on sale of land	10.0	(0.9)		10.5	34.9	
Profit before tax	51.9	23.6	+120	130.5	87.1	+50

For the current quarter and financial year-to-date, the Group registered an overall increase in revenue of 60% and 48% respectively against those of the previous year's corresponding periods. Profit before tax and unusual items of the Group for the current quarter and financial year-to-date improved by 91% and 139% respectively over the corresponding quarter and period of the previous year. The overall improvement in performance was mainly attributable to higher palm products prices, profit contribution from the newly acquired plantation land referred to in Note I(d)(ii) along with better results from associated companies.

After inclusion of gains on sale of land and provision for doubtful recoveries, profit before tax of the Group for the current quarter and financial year-to-date was 120% and 50% higher respectively over those reported in previous year's corresponding periods.

2) Material Changes in Profit Before Taxation for the Current Quarter as Compared with the Immediate Preceding Quarter

The Group achieved a higher profit before tax of RM51.9 million in the current quarter as compared to RM32.0 million in the preceding quarter or an increase of 62%. Both plantation and property segments reported improvement in performance. The overall improvement was mainly due to higher palm products prices, higher FFB production along with profit contribution from the newly acquired plantation land referred to in Note I(d)(ii).

3) **Prospects**

Prices of palm products have remained firm and this augurs well for the plantation segment. Barring any unforeseen circumstances, the Directors are of the opinion that the performance of the Group for the coming financial year is expected to be satisfactory.

4) **Variance of Actual Profit from Forecast Profit**

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

5) **Taxation**

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

	Current Quarter RM'000	Current Financial Year-to-date RM'000
Malaysian income tax		
- Current	9,689	24,333
- Over provision in respect of prior periods	(797)	(724)
	8,892	23,609
Deferred tax charge		
- Current	970	2,833
- Under provision in respect of prior periods	1,989	1,989
	2,959	4,822
Share in tax of associated companies	153	755
	12,004	29,186

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

6) **Profit on Sale of Unquoted Investments and/or Properties**

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 unusual gains as disclosed in Note I (d) (i).

7) **Quoted Securities Other than Securities in Existing Subsidiary and Associated Companies**

- 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 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	405

8) Status of Corporate Proposals Announced

The Company has on 11 October 2002 entered into the following conditional agreements:

- i) Proposed acquisition by ALDSB of the remaining 30% equity interest in AIDS B from Ambang Budi Sdn Bhd (“ABS B”) for a total purchase consideration of RM77,319,000 (“Proposed Share Acquisition”); and
- ii) Proposed disposal by AIDS B of approximately 953 acres of land located at Mukim Senai-Kulai, Daerah Johor Bahru, Johor Darul Takzim to ABS B for a sale consideration of RM82,707,000 (“Proposed Land Disposal”).

As at 20 February 2003, approvals from the Foreign Investment Committee have been obtained and the proposals are expected to be completed by early March 2003.

9) Group Borrowings and Debt Securities

The details of the Group’s borrowings as at 31 December 2002 are as set out below:

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

10) Off Balance Sheet Financial Instruments

There are no off balance sheet financial instruments as at 20 February 2003.

11) Changes in Material Litigation

As announced on 30 October 2002, the Company and Tanjung Bahagia Sdn Bhd (“TBSB”), a wholly-owned subsidiary of the Company, together with 3 other parties, had been named as defendants in the Writ of Summons dated 11 October 2002 in the High Court of Sabah and Sarawak at Kota Kinabalu (“the Suit”). The Suit was instituted by various natives claiming Native Customary Rights over the land acquired by TBSB from Hap Seng Consolidated Berhad (as announced on 20 June 2001) (“the Tongod Land”) or part thereof.

The plaintiffs had also applied for an interlocutory injunction to restrain the Company and TBSB from entering, trespassing, clearing, using or occupying the Tongod Land or part thereof. Our Solicitors are of the opinion that the plaintiffs’ action is unsustainable and misconceived and it is unlikely for the plaintiffs to succeed.

As at 20 February 2003, being the last practicable date from the date of issue of this quarterly report, the Court has yet to fix a date for hearing of the injunction and the Suit.

12) Dividend Proposed or Declared

- a) (i) A final dividend for the financial year ended 31 December 2002 has been recommended by the Directors for approval by shareholders;
- (ii) The recommended final dividend, if approved, would amount to 2.5 sen less 28% tax per ordinary share of 50 sen each;
- (iii) The final dividend paid for the previous financial year ended 31 December 2001 was 2.0 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 2002, including the above recommended final dividend, if approved, would amount to 4.125 sen less 28% tax per ordinary share of 50 sen each.

13) Earnings per Share

	Individual Quarter		Financial Year-to-date	
	31/12/2002	31/12/2001	31/12/2002	31/12/2001
a) Basic earnings per share				
Net profit for the period (RM'000)	39,275	17,957	100,273	71,818
Weighted number of ordinary shares in issue	741,335,000	741,335,000	741,335,000	741,335,000
Basic earnings per share (sen)	5.30	2.42	13.53	9.69
b) Diluted earnings per share				
Net profit for the period (RM'000)	39,275	17,957	100,273	71,818
Adjusted weighted number of ordinary shares in issue				
Weighted number of ordinary shares in issue	741,335,000	741,335,000	741,335,000	741,335,000
Adjustment for share options granted under the Asiatic Executive Share Option Scheme	940,925	457,151	1,024,194	842,960
	742,275,925	741,792,151	742,359,194	742,177,960
Diluted earnings per share (sen)	5.29	2.42	13.51	9.68

By order of the Board

TAN SRI MOHD AMIN BIN OSMAN
Chairman
 Asiatic Development Berhad