



# 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: 03-21782255/23332255 Fax: 03-21641032  
 Website: <http://www.asiatic.com.my> E-mail: [info@asiatic.com.my](mailto:info@asiatic.com.my)

## THIRD QUARTERLY REPORT

30 November 2004

Quarterly report on consolidated results for the third quarter ended 30 September 2004. The figures have not been audited.

### CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2004

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30/09/2004 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/09/2003 RM'000	CURRENT YEAR TO-DATE 30/09/2004 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2003 RM'000
Revenue	154,254	104,732	361,970	370,505
Cost of sales	(74,640)	(50,664)	(181,054)	(149,428)
<b>Gross profit</b>	<b>79,614</b>	<b>54,068</b>	<b>180,916</b>	<b>221,077</b>
Other income	2,510	2,869	10,778	18,165
Other expenses				
- Goodwill written off	-	-	-	(49,732)
- Others	(13,536)	(12,484)	(35,611)	(33,238)
<b>Profit from operations</b>	<b>68,588</b>	<b>44,453</b>	<b>156,083</b>	<b>156,272</b>
Finance Cost	(422)	-	(660)	-
Share of results of associated companies	1,267	988	3,335	2,387
<b>Profit from ordinary activities before taxation</b>	<b>69,433</b>	<b>45,441</b>	<b>158,758</b>	<b>158,659</b>
Taxation	(16,429)	(11,305)	(32,150)	(47,183)
<b>Profit from ordinary activities after taxation</b>	<b>53,004</b>	<b>34,136</b>	<b>126,608</b>	<b>111,476</b>
Minority shareholders' interests	(808)	(456)	(1,763)	(13,524)
<b>Net profit for the period</b>	<b>52,196</b>	<b>33,680</b>	<b>124,845</b>	<b>97,952</b>
Basic earnings per share - sen	7.03	4.54	16.82	13.21
Diluted earnings per share - sen	7.01	4.54	16.74	13.20

*(The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2003.)*



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## CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2004

	(Unaudited) AS AT END OF CURRENT FINANCIAL PERIOD 30/09/2004 RM'000	(Audited) AS AT PRECEDING FINANCIAL YEAR END 31/12/2003 RM'000
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	984,949	759,502
Land held for development	237,628	236,116
Associated companies	12,112	11,672
Long term receivables from an associated company	4,917	4,917
Investments	-	653
Deferred taxation	3,508	2,011
<b>CURRENT ASSETS</b>		
Property development	100,702	94,741
Inventories	117,377	111,495
Trade and other receivables	64,573	40,766
Amount due from associated companies	1,092	745
Short term investments	56,333	117,183
Bank balances and deposits	52,040	90,326
	<u>392,117</u>	<u>455,256</u>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	92,579	79,265
Amount due to holding and other related companies	189	881
Short term borrowings	40,000	-
Taxation	10,872	11,555
Dividend	10,691	-
	<u>154,331</u>	<u>91,701</u>
<b>NET CURRENT ASSETS</b>	<u>237,786</u>	<u>363,555</u>
	<u>1,480,900</u>	<u>1,378,426</u>
<b>FINANCED BY</b>		
<b>SHARE CAPITAL</b>	371,208	370,862
<b>RESERVES</b>	1,065,532	965,787
<b>SHAREHOLDERS' EQUITY</b>	1,436,740	1,336,649
<b>MINORITY INTERESTS</b>	10,284	9,227
<b>NON-CURRENT LIABILITIES</b>		
Deferred taxation	29,498	28,172
Provision for directors' retirement gratuities	4,378	4,378
	<u>33,876</u>	<u>32,550</u>
	<u>1,480,900</u>	<u>1,378,426</u>
<b>NET TANGIBLE ASSETS PER SHARE (RM)</b>	<b>1.94</b>	<b>1.80</b>

(The Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the financial year ended 31 December 2003.)



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## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2004

	Non-Distributable				Distributable	Total RM'000
	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Reserve on Exchange Differences RM'000	Unappro- priated Profits RM'000	
<b>Balance at 1 January 2004</b>	<b>370,862</b>	<b>25,826</b>	<b>18,143</b>	<b>(715)</b>	<b>922,533</b>	<b>1,336,649</b>
Issue of shares <i>[see Note I(f)]</i>	<b>346</b>	<b>291</b>	-	-	-	<b>637</b>
Revaluation surplus realised upon sale of land	-	-	<b>(28)</b>	-	<b>28</b>	-
Net profit for the financial period	-	-	-	-	<b>124,845</b>	<b>124,845</b>
Appropriation:						
- Final dividend payable for the financial year ended 31 December 2003 (2.75 sen less 28% tax)	-	-	-	-	<b>(14,700)</b>	<b>(14,700)</b>
- Interim dividend payable for the half year ended 30 June 2004 (2.0 sen less 28% tax)	-	-	-	-	<b>(10,691)</b>	<b>(10,691)</b>
<b>Balance at 30 September 2004</b>	<b>371,208</b>	<b>26,117</b>	<b>18,115</b>	<b>(715)</b>	<b>1,022,015</b>	<b>1,436,740</b>
Balance at 1 January 2003	370,668	25,663	18,361	(715)	809,750	1,223,727
Revaluation surplus realised upon sale of land	-	-	(218)	-	218	-
Net profit for the financial period	-	-	-	-	97,952	97,952
Appropriation:						
- Final dividend payable for the financial year ended 31 December 2002 (2.5 sen less 28% tax)	-	-	-	-	(13,344)	(13,344)
- Interim dividend payable for the half year ended 30 June 2003 (1.75 sen less 28% tax)	-	-	-	-	(9,341)	(9,341)
Balance at 30 September 2003	370,668	25,663	18,143	(715)	885,235	1,298,994

*(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2003.)*



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## CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2004

	<i>Current Financial Year-to-date 30/09/2004 RM'000</i>	<i>Preceding Year Corresponding Period 30/09/2003 RM'000</i>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit from ordinary activities before taxation	<b>158,758</b>	158,659
Adjustments for:		
Depreciation of property, plant and equipment	<b>11,901</b>	9,696
Interest income	<b>(3,304)</b>	(3,054)
Share of results of associated companies	<b>(3,335)</b>	(2,387)
Net surplus arising from compulsory acquisition of freehold land	<b>(785)</b>	(7,315)
Gain on disposal of land	-	(69,058)
Goodwill written off	-	49,732
Other adjustments	<b>(267)</b>	(2,313)
	<b>4,210</b>	(24,699)
<b>Operating profit before changes in working capital</b>	<b>162,968</b>	133,960
Changes in working capital:		
Net change in current assets	<b>(26,406)</b>	(5,316)
Net change in current liabilities	<b>15,380</b>	14,539
	<b>(11,026)</b>	9,223
<b>Cash generated from operations</b>	<b>151,942</b>	143,183
Tax paid	<b>(35,619)</b>	(17,806)
Retirement gratuities paid	<b>(2,981)</b>	-
	<b>(38,600)</b>	(17,806)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>113,342</b>	125,377
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	<b>(133,098)</b>	(43,551)
Acquisition of subsidiary companies *	<b>(103,822)</b>	-
Other investing activities	<b>2,646</b>	10,760
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(234,274)</b>	(32,791)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Issue of shares:		
- exercise of share options by executive employees	<b>637</b>	-
Proceeds from bank borrowings	<b>79,000</b>	-
Repayments of borrowings	<b>(41,559)</b>	-
Finance cost paid	<b>(660)</b>	-
Dividend paid	<b>(14,700)</b>	(13,344)
Dividend paid to minority interest shareholders	<b>(922)</b>	(17)
<b>NET CASH INFLOW FROM/(USED IN) FINANCING ACTIVITIES</b>	<b>21,796</b>	(13,361)
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(99,136)</b>	79,225
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b>	<b>207,509</b>	113,078
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	<b>108,373</b>	192,303

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2003.)



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## CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2004 (Continued)

	<i>Current Financial Year-to-date 30/09/2004 RM'000</i>	<i>Preceding Year Corresponding Period 30/09/2003 RM'000</i>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
Short term investments	56,333	109,767
Bank balances and deposits	52,040	82,536
<b>Cash and cash equivalents at end of financial period</b>	<b>108,373</b>	<b>192,303</b>

### \* ANALYSIS OF THE ACQUISITION OF SUBSIDIARY COMPANIES

Net assets acquired and net cash outflow on acquisition of subsidiary companies are analysed as follows:

Property, plant and equipment	(104,321)
Inventories	(60)
Trade and other receivables	(5,444)
Bank balances and deposits	(3,130)
Trade and other payables	1,165
Taxation	715
Bank borrowings	2,559
Minority interests	216
	-----
Total purchase consideration	(108,300)
Less : Bank balances and deposits of subsidiary companies acquired	3,130
Balance of purchase consideration not paid	1,348
	-----
Net cash outflow on acquisition of subsidiary companies	<b>(103,822)</b>

*(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2003.)*

**ASIATIC DEVELOPMENT BERHAD  
NOTES TO THE INTERIM FINANCIAL REPORT  
- THIRD QUARTER ENDED 30 SEPTEMBER 2004**

**I) Compliance with MASB 26**

*a) Accounting policies and methods of computation*

The interim financial report is unaudited and has been prepared in accordance with MASB 26 – “Interim Financial Reporting” and paragraph 9.22 of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) Listing Requirements.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2003. The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the annual audited financial statements for the financial year ended 31 December 2003 except for a change in the Group’s accounting policy on goodwill. It had been the Group’s policy to write-off goodwill arising on consolidation to the income statement when the acquisition occurs.

With effect from 1 January 2004, goodwill is recognised as an intangible asset and disclosed on the consolidated balance sheet at cost less any impairment losses. The carrying value of goodwill will be subject to annual impairment review and whenever events or changes in circumstances indicate that it may not be recoverable. An impairment charge will be recognised in the income statement when the results of such impairment review indicate that the carrying value of goodwill is impaired.

It is the management’s view that the change in accounting policy will result in a more appropriate presentation of goodwill in the Group’s financial statements and that this is in line with international best practice.

The change in accounting policy will be applied prospectively with effect from the current financial year as the resulting adjustment that relates to prior periods is not reasonably determinable. The comparative figures are therefore not restated.

In addition, the Group has complied with new approved accounting standards that are effective and applicable in the current financial year.

*MASB 32 – Property Development Activities* became operative for financial periods commencing 1 January 2004. Consequently, in compliance with the Standard, “Real property assets” has been renamed as “Land held for development”. Further, the comparatives in respect of property development and trade and other receivables have been restated whereby the excess of revenue recognised in the income statement over billings to purchasers is now presented as accrued billings within current assets. Previously, accrued billings was set off against property development. However, if the billings to purchasers exceed revenue recognised in the income statement, this will be presented as progress billings within current liabilities.

The change in accounting policy has been applied retrospectively as required by the Standard. Whilst there is no impact on the income statement, the effects of the reclassification on the balance sheet are summarised as follows:

<b>Balances as at 31 December 2003</b>	<b>As previously reported RM’000</b>	<b>Effect on adoption of MASB 32 RM’000</b>	<b>As restated RM’000</b>
<b>Current Assets</b>			
Property development	99,321	(4,580)	94,741
Trade and other receivables	36,186	4,580	40,766

As the Group was already in compliance with the recognition and measurement principles set forth by the standard, the above reclassifications do not have any impact on the Net Tangible Assets per share of the Group.

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

The audit report of the Group's annual financial statements for the financial year ended 31 December 2003 did not contain any qualification.

**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 unusual items included in the interim financial statements for the current financial year-to-date are as follows:

- i) A net surplus of RM785,000 arising from compulsory acquisition of freehold land and plantation was included in other income of the Group;
- ii) The completion of the acquisition of the entire issued and fully paid-up capital of Trushidup Plantations Sdn Bhd, Wawasan Land Progress Sdn Bhd, Dianti Plantations Sdn Bhd, Cengkeh Emas Sdn Bhd and Kituva Plantations Sdn Bhd on 28 May 2004 ("the Completion Date") for a total cash consideration of RM108.3 million, is computed as follows:

	<b>RM' Million</b>
Original purchase consideration pursuant to the various Sale and Purchase Agreements	101.79
Adjustments upon completion of the due diligence exercise	(0.84)
	-----
Revised purchase consideration	100.95
Adjustments to audited net assets as at 28 May 2004	7.35
	-----
<b>Adjusted purchase consideration</b>	<b>108.30</b>
Less : Outstanding purchase consideration to be paid	(1.35)
	-----
Purchase consideration paid	106.95
Less : Bank balances and deposits of subsidiary companies acquired	(3.13)
	-----
Cash outflow on acquisition	<b>103.82</b>
	=====

As reported in last quarter, the purchase consideration was subject to revision upon audit by the independent auditors on Completion Date. The said audit was completed on 28 September 2004 and the outstanding purchase consideration was paid on 20 October 2004.

iii) Along with the completion of the acquisition of the above companies, the Group has also completed on 28 May 2004, the interdependent acquisitions of the following assets for a total cash consideration of RM103.2 million:

- Approximately 1,749 acres of plantation land together with a palm oil mill and other plantation assets located in the District of Kinabatangan, Sabah for a total cash consideration of RM50.3 million from Syarikat Trushidup Sdn Bhd (“STSB”).
- Other plantation assets for a total cash consideration RM1.0 million from Trushidup Resources Sdn Bhd.
- Approximately 5,110 acres of plantation land located in the District of Kinabatangan, Sabah for a total cash consideration of RM51.9 million from STSB.

The above cash consideration of RM103.2 million has been paid and included as part of cash outflow on purchase of property, plant and equipment in the condensed consolidated cash flow statement for the current financial year-to-date.

*e) Material Changes in Estimates*

There were no significant changes made in estimates of amounts reported in prior interim periods of the current financial year-to-date or changes in estimates of amounts reported in prior financial years.

*f) Changes in Debt and Equity Securities*

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity during the current financial year-to-date other than the issuance of 692,000 new ordinary shares of 50 sen each, for cash, arising from the exercise of options granted under the Asiatic Executive Share Option Scheme at an exercise price of 92 sen per ordinary share.

*g) Dividend Paid*

The final dividend of 2.75 sen per ordinary share of 50 sen each, less 28% tax, for the financial year ended 31 December 2003 was paid on 19 July 2004.

*h) Segment Information*

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

	Plantation RM'000	Property RM'000	Others RM'000	Total RM'000
<b>Revenue – external</b>	<b>323,664</b>	<b>38,306</b>	<b>-</b>	<b>361,970</b>
Segment profit	<b>144,930</b>	<b>4,436</b>	<b>2,628</b>	<b>151,994</b>
Net surplus arising from compulsory acquisition of freehold land				<b>785</b>
Interest income				<b>3,304</b>
Finance Cost				<b>(660)</b>
Share of results of associated companies	<b>3,103</b>	<b>232</b>		<b>3,335</b>
<b>Profit from ordinary activities before taxation</b>				<b>158,758</b>
Taxation				<b>(32,150)</b>
<b>Profit from ordinary activities after taxation</b>				<b>126,608</b>
Minority interests				<b>(1,763)</b>
<b>Net profit for the current financial period</b>				<b>124,845</b>



*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 events subsequent to the end of 30 September 2004 that have not been reflected in the financial statements for the current financial year-to-date.

*k) Changes in the Composition of the Group*

Other than the completion of the acquisition of the entire issued and paid-up capital of the various companies as mentioned in Note I(d)(ii) on 28 May 2004, there were no other material changes in the composition of the Group for the current financial year-to-date.

*l) Changes in Contingent Liabilities or Contingent Assets*

There were no significant changes in contingent liabilities or contingent assets since the last financial year ended 31 December 2003, other than the disclosure made in Note 11 of Part II of this interim financial report.

*m) Capital Commitments*

Authorised capital commitments not provided for in the financial statements as at 30 September 2004 are as follows:

	<b>Contracted RM'000</b>	<b>Not Contracted RM'000</b>	<b>Total RM'000</b>
Property, plant and equipment	<u><u>32,615</u></u>	<u><u>25,346</u></u>	<u><u>57,961</u></u>

**ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA – THIRD QUARTER ENDED  
30 SEPTEMBER 2004**

**II) Compliance with Appendix 9(B) of Bursa Malaysia Listing Requirements**

**1) Review of Performance**

The results of the Group are tabulated below:

	Individual Quarter			Preceding Quarter		Financial Year-to-date		
	3Q2004 RM'Million	3Q2003 RM'Million	% +/-	2Q2004 RM'Million	% +/-	3Q2004 RM'Million	3Q2003 RM'Million	% +/-
<b>Revenue</b>								
Plantation	<b>141.9</b>	97.1	+46	<b>100.6</b>	+41	<b>323.7</b>	269.3	+20
Property								
o Progressive revenue	<b>12.4</b>	7.6	+63	<b>13.4</b>	-7	<b>38.3</b>	18.5	>100
o Sale of land	-	-	N/A	-	N/A	-	82.7	N/A
	<u>12.4</u>	<u>7.6</u>	<u>+63</u>	<u>13.4</u>	<u>-7</u>	<u>38.3</u>	<u>101.2</u>	<u>-62</u>
	<u><b>154.3</b></u>	<u>104.7</u>	<u>+47</u>	<u><b>114.0</b></u>	<u>+35</u>	<u><b>362.0</b></u>	<u>370.5</u>	<u>-2</u>
<b>Profit before tax and unusual items</b>								
o Plantation	<b>65.5</b>	41.7	+57	<b>41.6</b>	+57	<b>144.9</b>	119.0	+21
o Property	<b>1.7</b>	0.8	>100	<b>1.2</b>	+42	<b>4.4</b>	2.7	+63
o Others	<b>2.2</b>	2.9	-24	<b>3.0</b>	-27	<b>8.6</b>	6.9	+25
	<u>69.4</u>	<u>45.4</u>	<u>+53</u>	<u>45.8</u>	<u>+52</u>	<u>157.9</u>	<u>128.6</u>	<u>+23</u>
<b>Net surplus arising from compulsory acquisition of freehold land</b> <i>[see Note I(d)(i)]</i>	-	-	N/A	<b>0.4</b>	N/A	<b>0.8</b>	7.3	-89
<b>Write back of doubtful recoveries</b>	-	-	N/A	-	N/A	-	3.4	N/A
<b>Gain on disposal of land</b>	-	-	N/A	-	N/A	-	69.1	N/A
<b>Goodwill written off</b>	-	-	N/A	-	N/A	-	(49.7)	N/A
<b>Profit before tax</b>	<u><b>69.4</b></u>	<u>45.4</u>	<u>+53</u>	<u><b>46.2</b></u>	<u>+50</u>	<u><b>158.7</b></u>	<u>158.7</u>	<u>-</u>

The Group registered a **47%** increase in revenue for the third quarter as compared to the corresponding quarter in 2003 mainly due to higher FFB production and selling prices of palm products along with higher progress billings from property sales. However, for the current financial year-to-date, revenue of the Group declined by **2%** mainly due to non-recurring revenue from disposal of land in the corresponding period in 2003. Excluding this non-recurring item, the Group's revenue increased by **26%**.

Profit before tax of the Group for the current quarter increased by **53%** over that of 2003. For the current financial year-to-date, the Group only registered a marginal increase in profit before tax over the corresponding period in 2003 mainly due to non-recurring items recorded in 2003. Excluding these items, the Group registered a **23%** increase in profit before tax as compared to the corresponding period in 2003. The overall improvement mainly came from the plantation segment which registered a **21%** improvement in performance on the back of higher selling prices of palm products and contribution from newly acquired plantations.

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

Profit before taxation for the current quarter of **RM69.4** million was **50%** higher than the preceding quarter. The significant improvement in performance was mainly due to a **57%** increase in FFB production as compared to the preceding quarter. Contributing to this higher FFB production was a full quarter contribution from the newly acquired plantations in the current quarter as compared to only a month's contribution in the preceding quarter.

3) ***Prospects***

Barring any unforeseen circumstances, the operating performance of the Group for the remaining 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.

5) ***Taxation***

Tax charges for the current quarter and financial period ended 30 September 2004 are as set out below:

	<b>Current Quarter RM'000</b>	<b>Current Financial Year-to-date RM'000</b>
Current tax charge:		
- Malaysian income tax	<b>15,297</b>	<b>31,994</b>
- Deferred tax	<b>778</b>	<b>140</b>
Share in tax of associated companies	<b>354</b>	<b>922</b>
	<b>-----</b>	<b>-----</b>
	<b>16,429</b>	<b>33,056</b>
Prior year's taxes:		
- Income tax over provided	-	<b>(595)</b>
- Deferred tax over provided	-	<b>(311)</b>
	-	<b>(906)</b>
	<b>-----</b>	<b>-----</b>
	<b>16,429</b>	<b>32,150</b>
	<b>=====</b>	<b>=====</b>

The effective tax rate for the current quarter and financial year-to-date were lower than the statutory tax rate mainly due to utilisation of agriculture allowance, reinvestment allowance and over provision of taxes in prior years.

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 of the Group other than the unusual gains as disclosed in Note (d) of Part I of this interim financial report.

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

a) The dealings in quoted securities for the current financial year-to-date are as follows:

	<b>Current Financial Year-to-date RM'000</b>
Total purchase at cost	40
Total disposal proceeds	1,542
Total gain on disposal	849

b) With the above disposal, the Group does not own any investment in quoted shares.

8) ***Status of Corporate Proposals Announced***

As at 23 November 2004, there were no corporate proposals which have been announced but not completed.

9) ***Group Borrowings and Debt Securities***

As at 30 September 2004, the Group has outstanding unsecured Ringgit Malaysia short term borrowings of RM40 million.

10) ***Off Balance Sheet Financial Instruments***

There are no off balance sheet financial instruments as at 23 November 2004.

11) ***Changes in Material Litigation***

The Company and Asiatic Tanjung Bahagia Sdn Bhd (“ATBSB”) (*Formerly known as Tanjung Bahagia Sdn Bhd*), a wholly-owned subsidiary company, had vide previous announcements informed shareholders on the status of the legal suit filed in the High Court of Sabah and Sarawak at Kota Kinabalu Suit No. K22-245 of 2002 wherein the Company and ATBSB were named as the Second and Third Defendants respectively (“the Suit”). The Suit was instituted by certain natives (“the Plaintiffs”) claiming Native Customary Rights over the agricultural land or part thereof held under title number CL095330724 measuring approximately 8,830 hectares situated at Sungai Tongod, District of Kinabatangan, Sandakan, Sabah which was acquired by ATBSB from Hap Seng Consolidated Berhad (“HSCB”) (“the Tongod Land”). Subsequently, the Plaintiffs had also applied for an interlocutory injunction to restrain the Company and ATBSB from entering, trespassing, clearing, using or occupying the Tongod Land or part thereof (“the Injunction”).

The decision in respect of the preliminary objection raised by Company, ATBSB and HSCB on the Injunction which was scheduled to have been delivered on 15 October 2004, has been adjourned to 14 December 2004.

Our solicitors maintain their opinion that the Plaintiffs’ action is misconceived and unsustainable.

Other than the above, there have been no changes to the status of the aforesaid litigation as at 23 November 2004.

**12) Dividend Proposed or Declared**

- a) No dividend has been declared or recommended for the current quarter ended 30 September 2004.
- b) Total dividend declared for the current financial year-to-date was an interim dividend of 2 sen per ordinary share of 50 sen each, less 28% tax and was paid on 19 October 2004.

**13) Earnings per Share**

	<b>Current Quarter</b>	<b>Current Financial Year-to-date</b>
<b>a) Basic earnings per share</b>		
Net profit for the financial period ( <i>RM'000</i> )	52,196	124,845
Weighted number of ordinary shares in issue	742,414,000	742,279,905
Basic earnings per share ( <i>sen</i> )	7.03	16.82
<b>b) Diluted earnings per share</b>		
Net profit for the financial period ( <i>RM'000</i> )	52,196	124,845
<b>Adjusted weighted number of ordinary shares in issue</b>		
Weighted number of ordinary shares in issue	742,414,000	742,279,905
Adjustment for share options granted under the Asiatic Executive Share Option Scheme	2,700,316	3,406,435
	745,114,316	745,686,340
Diluted earnings per share ( <i>sen</i> )	7.01	16.74

**TAN SRI MOHD AMIN BIN OSMAN**  
**Chairman**  
Asiatic Development Berhad