



# 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)

## FOURTH QUARTERLY REPORT

25 February 2005

Quarterly report on consolidated results for the fourth quarter ended 31 December 2004. The figures for the cumulative period have been audited.

### CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

	<i>(Unaudited)</i>		<i>(Audited)</i>	
	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31/12/2004 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2003 RM'000	CURRENT YEAR TO-DATE 31/12/2004 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2003 RM'000
Revenue	152,697	120,313	514,667	490,818
Cost of sales	(67,554)	(56,317)	(248,608)	(205,745)
<b>Gross profit</b>	<b>85,143</b>	63,996	<b>266,059</b>	285,073
Other income	2,791	3,060	13,569	21,225
Other expenses				
- Goodwill written off	-	-	-	(49,732)
- Others	(21,240)	(16,013)	(56,851)	(49,251)
<b>Profit from operations</b>	<b>66,694</b>	51,043	<b>222,777</b>	207,315
Finance cost	(218)	-	(878)	-
Share of results of associates	1,390	1,739	4,725	4,126
<b>Profit from ordinary activities before taxation</b>	<b>67,866</b>	52,782	<b>226,624</b>	211,441
Taxation	(17,303)	(14,805)	(49,453)	(61,988)
<b>Profit from ordinary activities after taxation</b>	<b>50,563</b>	37,977	<b>177,171</b>	149,453
Minority shareholders' interests	(837)	(679)	(2,600)	(14,203)
<b>Net profit for the period</b>	<b>49,726</b>	37,298	<b>174,571</b>	135,250
Basic earnings per share - sen	6.70	5.03	23.52	18.24
Diluted earnings per share - sen	6.67	5.01	23.42	18.22

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



# 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)

## CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2004

	<i>(Audited)</i> AS AT END OF CURRENT FINANCIAL YEAR 31/12/2004 RM'000	<i>(Audited)</i> AS AT PRECEDING FINANCIAL YEAR END 31/12/2003 RM'000
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	989,716	759,502
Land held for property development	232,565	236,116
Associates	11,919	11,672
Long term receivables from an associate	4,918	4,917
Investments	-	653
Deferred taxation	1,788	2,011
<b>CURRENT ASSETS</b>		
Property development costs	105,397	94,741
Inventories	112,824	111,495
Trade and other receivables	55,955	40,766
Amount due from associates	718	745
Short term investments	62,314	117,183
Bank balances and deposits	46,294	90,326
	<u>383,502</u>	<u>455,256</u>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	84,578	79,265
Amount due to ultimate holding and other related companies	1,517	881
Taxation	9,256	11,555
	<u>95,351</u>	<u>91,701</u>
<b>NET CURRENT ASSETS</b>	<u>288,151</u>	<u>363,555</u>
	<u>1,529,057</u>	<u>1,378,426</u>
<b>FINANCED BY</b>		
<b>SHARE CAPITAL</b>	371,252	370,862
<b>RESERVES</b>	1,115,294	965,787
<b>SHAREHOLDERS' EQUITY</b>	1,486,546	1,336,649
<b>MINORITY INTERESTS</b>	9,898	9,227
<b>NON-CURRENT LIABILITIES</b>		
Deferred taxation	27,395	28,172
Provision for directors' retirement gratuities	5,218	4,378
	<u>32,613</u>	<u>32,550</u>
	<u>1,529,057</u>	<u>1,378,426</u>
<b>NET TANGIBLE ASSETS PER SHARE (RM)</b>	<b>2.00</b>	1.80

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



# ASIATIC DEVELOPMENT BERHAD

(Incorporated in Malaysia under Company No : 34993-X)  
 10<sup>th</sup> 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)

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Reserve on Exchange Differences RM'000	Unappro- priated Profits RM'000	Total RM'000
Balance at 1 January 2004	370,862	25,826	18,143	(715)	922,533	1,336,649
Issue of shares [see note 1(f)]	390	327	-	-	-	717
Revaluation surplus realised upon sale of land	-	-	(28)	-	28	-
Realisation of previous disposal of a foreign subsidiary	-	-	-	1,005	(1,005)	-
Net gains/(losses) not recognised in income statement	-	-	(28)	1,005	(977)	-
Net profit for the financial year	-	-	-	-	174,571	174,571
Appropriation:						
- Final dividend paid for the financial year ended 31 December 2003 (2.75 sen less 28% tax)	-	-	-	-	(14,700)	(14,700)
- Interim dividend paid for the financial year ended 31 December 2004 (2.0 sen less 28% tax)	-	-	-	-	(10,691)	(10,691)
Balance at 31 December 2004	<u>371,252</u>	<u>26,153</u>	<u>18,115</u>	<u>290</u>	<u>1,070,736</u>	<u>1,486,546</u>
Balance at 1 January 2003	370,668	25,663	18,361	(715)	809,750	1,223,727
Issue of shares	194	163	-	-	-	357
Revaluation surplus realised upon sale of land, not recognised in income statement	-	-	(218)	-	218	-
Net profit for the financial year	-	-	-	-	135,250	135,250
Appropriation:						
- Final dividend paid for the financial year ended 31 December 2002 (2.5 sen less 28% tax)	-	-	-	-	(13,344)	(13,344)
- Interim dividend paid for the financial year ended 31 December 2003 (1.75 sen less 28% tax)	-	-	-	-	(9,341)	(9,341)
Balance at 31 December 2003	<u>370,862</u>	<u>25,826</u>	<u>18,143</u>	<u>(715)</u>	<u>922,533</u>	<u>1,336,649</u>

(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.)



# 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)

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004

	<i>(Audited)</i> <b>2004</b> RM'000	<i>(Audited)</i> <b>2003</b> RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit from ordinary activities before taxation	<b>226,624</b>	211,441
Adjustments for:		
Depreciation of property, plant and equipment	<b>16,280</b>	13,121
Interest income	<b>(4,102)</b>	(4,324)
Share of results of associates	<b>(4,725)</b>	(4,126)
Net surplus arising from compulsory acquisition of freehold land	<b>(1,058)</b>	(7,315)
Gain on disposal of land	-	(69,060)
Goodwill written off	-	49,732
Other adjustments	<b>1,217</b>	(1,720)
	<b>7,612</b>	(23,692)
<b>Operating profit before changes in working capital</b>	<b>234,236</b>	187,749
Changes in working capital:		
Net change in current assets	<b>(9,392)</b>	899
Net change in current liabilities	<b>8,661</b>	16,935
	<b>(731)</b>	17,834
<b>Cash generated from operations</b>	<b>233,505</b>	205,583
Tax paid	<b>(53,445)</b>	(44,919)
Retirement gratuities paid	<b>(2,981)</b>	-
	<b>(56,426)</b>	(44,919)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>177,079</b>	160,664
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	<b>(144,414)</b>	(54,493)
Acquisition of subsidiaries *	<b>(105,120)</b>	-
Other investing activities	<b>3,927</b>	10,605
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(245,607)</b>	(43,888)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Issue of shares:		
- exercise of share options by executive employees	<b>717</b>	357
Proceeds from bank borrowings	<b>79,000</b>	-
Repayments of borrowings	<b>(81,667)</b>	-
Finance cost paid	<b>(878)</b>	-
Dividend paid	<b>(25,391)</b>	(22,685)
Dividend paid to minority shareholders	<b>(2,154)</b>	(17)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(30,373)</b>	(22,345)
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(98,901)</b>	94,431
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR</b>	<b>207,509</b>	113,078
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR</b>	<b>108,608</b>	207,509

*(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

(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)

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2004 *(Continued)*

	<i>(Audited)</i> <b>2004</b> RM'000	<i>(Audited)</i> <b>2003</b> RM'000
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
Short term investments	<b>62,314</b>	117,183
Bank balances and deposits	<b>46,294</b>	90,326
<b>Cash and cash equivalents at end of financial year</b>	<b><u>108,608</u></b>	<b><u>207,509</u></b>

### \* ANALYSIS OF THE ACQUISITION OF SUBSIDIARIES

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

Property, plant and equipment	(104,321)
Inventories	(60)
Trade and other receivables	(5,494)
Bank balances and deposits	(3,195)
Trade and other payables	1,335
Taxation	528
Bank borrowings	2,667
Minority interests	225
	-----
Total purchase consideration	(108,315)
Less : Bank balances and deposits of subsidiaries acquired	3,195
	-----
Net cash outflow on acquisition of subsidiaries	<b><u>(105,120)</u></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  
- FOURTH QUARTER ENDED 31 DECEMBER 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 property 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 costs	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 financial year ended 31 December 2004 are as follows:

- i) A net surplus of RM273,000 and RM1,058,000 arising from compulsory acquisition of freehold land and plantation for the current quarter and financial year respectively were 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 for a total cash consideration of RM108.3 million; and
- iii) Along with the completion of the acquisition of the above companies, the Group had 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 had 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 ended 31 December 2004.

**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 ended 31 December 2004 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 ended 31 December 2004 other than the issuance of 779,000 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**

Dividends paid during the current financial year ended 31 December 2004 are as follows:

<b>Date of Payment</b>	<b>Description</b>	<b>RM'000</b>
19 July 2004	Final dividend of 2.75 sen per ordinary share of 50 sen each, less 28% tax, for the financial year ended 31 December 2003	<b>14,700</b>
19 October 2004	Interim dividend of 2 sen per ordinary share of 50 sen each, less 28% tax, for the financial year ended 31 December 2004	<b>10,691</b>
		<b>25,391</b>

**h) Segment Information**

Segment analysis for the current financial year ended 31 December 2004 is set out below:

	<b>Plantation RM'000</b>	<b>Property RM'000</b>	<b>Others RM'000</b>	<b>Total RM'000</b>
<b>Revenue – external</b>	<b>467,211</b>	<b>47,456</b>	<b>-</b>	<b>514,667</b>
Segment profit	<b>210,153</b>	<b>4,497</b>	<b>2,967</b>	<b>217,617</b>
Net surplus arising from compulsory acquisition of freehold land	<b>1,058</b>			<b>1,058</b>
Interest income				<b>4,102</b>
Finance Cost				<b>(878)</b>
Share of results of associates	<b>4,368</b>	<b>357</b>		<b>4,725</b>
<b>Profit from ordinary activities before taxation</b>				<b>226,624</b>
Taxation				<b>(49,453)</b>
<b>Profit from ordinary activities after taxation</b>				<b>177,171</b>
Minority interests				<b>(2,600)</b>
<b>Net profit for the current financial year</b>				<b>174,571</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 the current financial year that have not been reflected in the financial statements for the current financial year ended 31 December 2004.



***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 ended 31 December 2004.

***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 financial report.

***m) Capital Commitments***

Authorised capital commitments not provided for in the financial statements as at 31 December 2004 are as follows:

	<b>Contracted RM'000</b>	<b>Not Contracted RM'000</b>	<b>Total RM'000</b>
Property, plant and equipment	<b><u>14,521</u></b>	<b><u>59,818</u></b>	<b><u>74,339</u></b>

**ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA – FOURTH QUARTER ENDED 31 DECEMBER 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		Full Year		
	4Q2004 RM'Million	4Q2003 RM'Million	% +/-	3Q2004 RM'Million	% +/-	2004 RM'Million	2003 RM'Million	% +/-
<b>Revenue</b>								
Plantation	<b>143.5</b>	110.7	+30	<b>141.9</b>	+1	<b>467.2</b>	380.0	+23
Property								
o Progressive revenue	<b>9.2</b>	9.6	-4	<b>12.4</b>	-26	<b>47.5</b>	28.1	+69
o Sale of land	-	-	N/A	-	N/A	-	82.7	N/A
	<u>9.2</u>	<u>9.6</u>	-4	<u>12.4</u>	-26	<u>47.5</u>	<u>110.8</u>	-57
	<u><b>152.7</b></u>	<u>120.3</u>	+27	<u><b>154.3</b></u>	-1	<u><b>514.7</b></u>	<u>490.8</u>	+5
<b>Profit before tax and unusual items</b>								
o Plantation	<b>65.2</b>	48.4	+35	<b>65.5</b>	-	<b>210.1</b>	167.4	+25
o Property	<b>0.1</b>	0.4	-75	<b>1.7</b>	-94	<b>4.5</b>	3.1	+45
o Others	<b>2.3</b>	4.0	-43	<b>2.2</b>	+5	<b>10.9</b>	10.8	+1
	<u>67.6</u>	<u>52.8</u>	+28	<u>69.4</u>	-2	<u>225.5</u>	<u>181.3</u>	+24
<b>Net surplus arising from compulsory acquisition of freehold land</b> <i>[see Note I(d)(i)]</i>	<b>0.3</b>	-	N/A	-	N/A	<b>1.1</b>	7.3	-85
<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>67.9</b></u>	<u>52.8</u>	+29	<u><b>69.4</b></u>	-2	<u><b>226.6</b></u>	<u>211.4</u>	+7

For the current quarter under review, the Group registered a **27%** and **29%** increase in revenue and profit before tax respectively as compared to the corresponding quarter in 2003. The increase was mainly due to higher FFB production which more than off-set the lower CPO selling prices.

Revenue and profit before tax of the Group for the current financial year were higher than the previous corresponding year by **5%** and **7%** respectively. However, excluding the non-recurring items recorded in 2003, the revenue and profit before tax of the Group increased by **26%** and **24%** respectively. The improvement was achieved on the back of higher selling prices of palm products and a **13%** increase in FFB production as a result of additional harvesting areas from existing as well as the 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 declined marginally by 2% as compared to preceding quarter mainly due to the seasonal decline in FFB production and lower palm products prices achieved.

3) ***Prospects***

Barring any unforeseen circumstances, the operating 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.

5) ***Taxation***

Tax charges for the current quarter and financial year ended 31 December 2004 are as set out below:

	<b>Current Quarter RM'000</b>	<b>Current Financial Year RM'000</b>
Current tax charge:		
- Malaysian income tax	<b>17,831</b>	<b>49,668</b>
- Deferred tax	<b>(383)</b>	<b>(554)</b>
Share in tax of associates	<b>(145)</b>	<b>777</b>
	<b>17,303</b>	<b>49,891</b>
Income tax over provided in prior years	<b>-</b>	<b>(438)</b>
	<b>17,303</b>	<b>49,453</b>

The effective tax rate for the current quarter and financial year ended 31 December 2004 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 ended 31 December 2004 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 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 ended 31 December 2004 are as follows:

	<b>Current Financial Year 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 18 February 2005, there were no corporate proposals which have been announced but not completed.

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

The Group does not have any borrowings or debts securities as at 31 December 2004.

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

There are no off balance sheet financial instruments as at 18 February 2005.

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, 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 the Company, ATBSB and HSCB on the Injunction which was fixed for delivery on 14 December 2004, has been adjourned until further notice.

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 18 February 2005.

**12) Dividend Proposed or Declared**

- a) (i) A final dividend for the financial year end 31 December 2004 has been recommended by the Directors for approval by shareholders;
- (ii) The recommended final dividend, if approved, would amount to 3.5 sen less 28% tax per ordinary share of 50 sen each;
- (iii) The final dividend paid for the previous financial year ended 31 December 2003 was 2.75 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 2004, including the above recommended final dividend, if approved, would amount to 5.5 sen less 28% tax per ordinary share of 50 sen each.

**13) Earnings per Share**

	<b>Current Quarter</b>	<b>Current Financial Year</b>
<b>a) Basic earnings per share</b>		
Net profit for the financial period/year ( <i>RM'000</i> )	49,726	174,571
	=====	=====
Weighted number of ordinary shares in issue	742,436,565	742,319,787
	=====	=====
Basic earnings per share ( <i>sen</i> )	6.70	23.52
	=====	=====
<b>b) Diluted earnings per share</b>		
Net profit for the financial period/year ( <i>RM'000</i> )	49,726	174,571
	=====	=====
<i>Adjusted weighted number of ordinary shares in issue</i>		
Weighted number of ordinary shares in issue	742,436,565	742,319,787
Adjustment for share options granted under the Asiatic Executive Share Option Scheme	2,670,148	3,210,924
	745,106,713	745,530,711
	=====	=====
Diluted earnings per share ( <i>sen</i> )	6.67	23.42
	=====	=====

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