



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

FIRST QUARTERLY REPORT

Quarterly report on consolidated results for the first quarter ended 31 March 2008. The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2008

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31/03/2008 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/03/2007 RM'000	CURRENT YEAR TO-DATE 31/03/2008 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/03/2007 RM'000
Revenue	273,053	149,276	273,053	149,276
Cost of sales	(118,053)	(73,415)	(118,053)	(73,415)
Gross profit	155,000	75,861	155,000	75,861
Other income	6,086	3,284	6,086	3,284
Other expenses	(19,929)	(15,601)	(19,929)	(15,601)
Profit from operations	141,157	63,544	141,157	63,544
Share of results in associates	2,041	715	2,041	715
Profit before taxation	143,198	64,259	143,198	64,259
Taxation	(27,812)	(17,175)	(27,812)	(17,175)
Profit for the financial period	115,386	47,084	115,386	47,084
Attributable to:				
Equity holders of the Company	114,161	46,446	114,161	46,446
Minority interests	1,225	638	1,225	638
	<u>115,386</u>	<u>47,084</u>	<u>115,386</u>	<u>47,084</u>
Basic earnings per share - sen	<u>15.10</u>	<u>6.18</u>	<u>15.10</u>	<u>6.18</u>
Diluted earnings per share - sen	<u>15.06</u>	<u>6.14</u>	<u>15.06</u>	<u>6.14</u>

(The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2007 and the accompanying explanatory notes attached to this interim financial report.)



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CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2008

	AS AT 31/3/2008 RM'000	AS AT 31/12/2007 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	387,118	384,239
Land held for property development	232,472	232,765
Investment properties	10,510	10,594
Plantation development	476,735	469,510
Leasehold land use rights	248,211	249,180
Intangible assets	40,851	16,955
Jointly controlled entity	1,979	1,901
Associates	13,332	11,291
Long term investments	32,718	32,718
Deferred taxation	17,451	6,871
Current assets		
Property development costs	116,396	111,150
Inventories	122,930	119,500
Trade and other receivables	147,141	138,349
Amount due from associates	652	803
Short term investments	260,444	204,234
Bank balances and deposits	263,885	290,860
	<u>911,448</u>	<u>864,896</u>
TOTAL ASSETS	<u><u>2,372,825</u></u>	<u><u>2,280,920</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	378,080	377,569
Reserves	1,767,086	1,686,740
	<u>2,145,166</u>	<u>2,064,309</u>
Minority interests	12,774	11,549
Total equity	<u>2,157,940</u>	<u>2,075,858</u>
Non-current liabilities		
Other payables	15,592	15,592
Provision for directors' retirement gratuities	2,331	2,331
Deferred taxation	43,149	40,613
	<u>61,072</u>	<u>58,536</u>
Current liabilities		
Trade and other payables	123,825	119,220
Amount due to ultimate holding and other related companies	342	1,364
Taxation	29,646	25,942
	<u>153,813</u>	<u>146,526</u>
Total liabilities	<u>214,885</u>	<u>205,062</u>
TOTAL EQUITY AND LIABILITIES	<u><u>2,372,825</u></u>	<u><u>2,280,920</u></u>
NET ASSETS PER SHARE (RM)	2.84	2.73

(The Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the financial year ended 31 December 2007 and the accompanying explanatory notes attached to this interim financial report.)



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2008

	<----- Attributable to equity holders of the Company ----->								
	Share Capital	Share Premium	Re- valuation Reserve	Reserve on Exchange Differences	Option Reserve	Retained Earnings	Total	Minority Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1 January 2008	377,569	37,933	18,063	(3,868)	653	1,633,959	2,064,309	11,549	2,075,858
Foreign exchange differences recognised directly in equity	-	-	-	(1,471)	-	-	(1,471)	-	(1,471)
Net expense recognised directly in equity	-	-	-	(1,471)	-	-	(1,471)	-	(1,471)
Profit for the financial period	-	-	-	-	-	114,161	114,161	1,225	115,386
Total recognised income and expense for the financial period	-	-	-	(1,471)	-	114,161	112,690	1,225	113,915
Asiatic Executive Share Option Scheme									
- Shares issued [see Note I(e)]	511	1,163	-	-	-	-	1,674	-	1,674
- Fair value of employees' services	-	-	-	-	66	-	66	-	66
Appropriation:									
- Special dividend paid for the financial year ended 31 December 2007 (6 sen less 26% tax)	-	-	-	-	-	(33,573)	(33,573)	-	(33,573)
Balance at 31 March 2008	378,080	39,096	18,063	(5,339)	719	1,714,547	2,145,166	12,774	2,157,940
Balance at 1 January 2007	375,211	32,948	18,075	(355)	379	1,331,105	1,757,363	11,392	1,768,755
Revaluation surplus realised from sale of land	-	-	(12)	-	-	12	-	-	-
Foreign exchange differences recognised directly in equity	-	-	-	(552)	-	-	(552)	-	(552)
Net income/(expense) recognised directly in equity	-	-	(12)	(552)	-	12	(552)	-	(552)
Profit for the financial period	-	-	-	-	-	46,446	46,446	638	47,084
Total recognised income and expense for the financial period	-	-	(12)	(552)	-	46,458	45,894	638	46,532
Asiatic Executive Share Option Scheme									
- Shares issued	645	1,362	-	-	-	-	2,007	-	2,007
- Fair value of employees' services	-	-	-	-	69	-	69	-	69
Balance at 31 March 2007	375,856	34,310	18,063	(907)	448	1,377,563	1,805,333	12,030	1,817,363

(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 2007 and the accompanying explanatory notes attached to this interim financial report.)



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CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2008

	2008 RM'000	2007 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	143,198	64,259
Adjustments for:		
Depreciation of property, plant and equipment	4,897	4,726
Depreciation of investment property	95	115
Amortisation of leasehold land use rights	734	724
Interest income	(4,196)	(2,283)
Share of results in associates	(2,041)	(715)
Other adjustments	73	666
	<u>(438)</u>	<u>3,233</u>
Operating profit before changes in working capital	142,760	67,492
Changes in working capital:		
Net change in current assets	(20,769)	4,070
Net change in current liabilities	4,579	270
	<u>(16,190)</u>	<u>4,340</u>
Cash generated from operations	126,570	71,832
Tax paid (<i>net of tax refund</i>)	(27,842)	(16,182)
NET CASH GENERATED FROM OPERATING ACTIVITIES	98,728	55,650
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(9,877)	(9,557)
Plantation development	(6,990)	(2,952)
Purchase of intangible assets	(23,896)	-
Other investing activities	3,169	2,281
NET CASH USED IN INVESTING ACTIVITIES	(37,594)	(10,228)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares [<i>see Note 1(e)</i>]	1,674	2,007
Dividend paid	(33,573)	-
NET CASH GENERATED FROM FINANCING ACTIVITIES	(31,899)	2,007
NET INCREASE IN CASH AND CASH EQUIVALENTS	29,235	47,429
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	495,094	261,363
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	524,329	308,792
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Short term investments	260,444	157,207
Bank balances and deposits	263,885	151,585
Cash and cash equivalents at end of financial period	524,329	308,792

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2007 and the accompanying explanatory notes attached to this interim financial report.)



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ASIATIC DEVELOPMENT BERHAD NOTES TO THE INTERIM FINANCIAL REPORT - FIRST QUARTER ENDED 31 MARCH 2008

I) Compliance with Financial Reporting Standard (“FRS”) 134

a) *Accounting Policies and Methods of Computation*

The interim financial report is unaudited and has been prepared in accordance with Financial Reporting Standard (“FRS”) 134: “Interim Financial Reporting” and paragraph 9.22 of the Bursa Malaysia Securities Berhad (“Bursa Securities”) Listing Requirements. The financial information for the three months period ended 31 March 2008 have been reviewed by the Company’s auditor in accordance with the International Standards on Review Engagements (“ISRE”) 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2007. 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 2007 except for the following:

In the current financial period, the Group adopted the following revised FRSs and IC interpretation which are applicable to financial statements for annual periods beginning on or after 1 January 2008 and are relevant to its operations:-

FRS 107	Cash Flow Statements
FRS 112	Income Taxes
FRS 118	Revenue
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets
Amendment to FRS 121 The Effects of Changes in Foreign Exchange Rates – Net Investment in Foreign Operation.	

IC Interpretation 8 Scope of FRS 2

The above FRSs and IC interpretation do not have any significant financial impact on the Group for the current quarter ended 31 March 2008.

b) *Seasonal or Cyclical Factors*

Fresh fruit bunches (“FFB”) production is seasonal in nature. Production of FFB normally peaks in the second half of the year but this cropping pattern can be affected by changes in weather conditions.

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

There were no unusual items affecting the assets, liabilities, equity, net income or cash flow for the current quarter ended 31 March 2008.

d) *Material Changes in Estimates*

There were no significant changes made in estimates of amounts reported in prior financial years.

e) Changes in Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity during the current quarter ended 31 March 2008 other than the issuance of 1,021,000 new ordinary shares of 50 sen each, for cash, arising from the exercise of options granted under the Asiatic Executive Share Option Scheme at exercise prices of 92 sen, 145 sen and 165 sen per ordinary share.

f) Dividend Paid

A special dividend of 6 sen per ordinary share of 50 sen each, less 26% tax, for the financial year ended 31 December 2007 was paid on 27 March 2008.

g) Segment Information

Segment analysis for the current quarter is set out below:

	Plantation RM'000	Property RM'000	Others RM'000	Total RM'000
Revenue – external	249,493	23,560	-	273,053
Segment profit	133,522	3,934	(495)	136,961
Interest income				4,196
Share of results in associates				2,041
Profit before taxation				143,198
Taxation				(27,812)
Profit for the quarter				115,386

h) Valuation of Property, Plant and Equipment

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

i) Material Events Subsequent to the End of Financial Period

There were no material events subsequent to the end of the current quarter that have not been reflected in this interim financial report.

j) Changes in the Composition of the Group

There were no material changes in the composition of the Group for the current quarter ended 31 March 2008.

k) 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 2007.

l) Capital Commitments

Authorised capital commitments not provided for in the interim financial statements as at 31 March 2008 are as follows:

	Contracted RM'000	Not Contracted RM'000	Total RM'000
Property, plant and equipment	37,468	199,559	237,027
Intellectual property development	6,363	-	6,363
Plantation development	28,229	46,208	74,437
Investment properties	200	1,200	1,400
	<u>72,260</u>	<u>246,967</u>	<u>319,227</u>



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ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES – FIRST QUARTER ENDED 31 MARCH 2008

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

1) Review of Performance

The comparison of the quarterly results are tabulated below:

	CURRENT QUARTER			PRECEDING QUARTER	
	2008 RM'Million	2007 RM'Million	% +/-	4Q 2007 RM'Million	% +/-
Revenue					
Plantation	249.5	129.0	+93	289.9	-14
Property	23.6	20.3	+16	10.6	>100
	<u>273.1</u>	<u>149.3</u>	+83	<u>300.5</u>	-9
Profit before tax					
o Plantation	133.5	55.8	>100	153.0	-13
o Property	3.9	5.2	-25	0.9	>100
o Others	5.8	3.3	+76	4.0	+45
	<u>143.2</u>	<u>64.3</u>	>100	<u>157.9</u>	-9

The Group's revenue and pre-tax profit for the current quarter were a marked improvement from previous year's corresponding quarter on the back of higher palm products selling prices along with a 7% increase in FFB production.

The Group registered a higher crude palm oil selling price of RM3,403/mt in the quarter compared to RM1,925/mt in 1Q 2007. PK selling price achieved of RM2,005/mt was also higher than RM1,076/mt in 1Q 2007.

However, contribution from the property segment was lower in the current quarter mainly due to lower progress billings.

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

Profit before tax for the current quarter was lower than the preceding quarter mainly due to lower FFB production. The effect from the lower FFB production was partly alleviated by the positive impact of higher achieved palm products selling prices and higher contribution from the property segment.

3) Prospects

Overall, the outlook of the palm oil industry is positive with expectation that palm product prices will be higher than the previous year. Given the prevailing strong palm product prices and barring any unforeseen circumstances, the performance of the Group for the remaining period of the current 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 financial year.

5) *Taxation*

Tax charge for the current quarter is set out below:

	Current Quarter RM'000
Current taxation:	
- Malaysian income tax charge	35,857
- Deferred tax credit	(10,183)
	25,674
Prior year's taxes:	
- Deferred tax under provided	2,138
	27,812

The effective tax rate for the current quarter is lower than the statutory tax rate mainly due to utilisation of agriculture allowances and tax incentive enjoyed by the Group which are subject to agreement of the relevant authorities.

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

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.

7) *Quoted Securities Other than Securities in Existing Subsidiaries and Associates*

There were no dealings in quoted securities for the current quarter ended 31 March 2008.

8) *Status of Corporate Proposals Announced*

Proposed Joint Venture in Oil Palm Cultivation

On 8 June 2005, the Company announced that 5 of its subsidiaries had entered into 5 separate Joint Venture Agreements for the cultivation of oil palm on approximately 98,300 hectares of land in Kabupaten Ketapang, Provinsi Kalimantan Barat, Indonesia ("the Land") ("the Proposed Joint Venture"). One of the five Joint Venture Agreements, entered into between Sri Nangatayap Pte. Ltd., PT Mulia Agro Investama ("PT Agro") and Borneo Palma Pte. Ltd., a company related to PT Agro, has become unconditional on 5 December 2007 and the joint venture company, PT Sepanjang Intisurya Mulia has secured the Hak Guna Usaha ("HGU") certificate for 14,261 hectares of land. The other 4 Joint Venture Agreements have yet to become unconditional and are subject to the following conditions being fulfilled within 12 months from the date of the Joint Venture Agreements or such period as may be mutually extended by parties to the said agreements:

- i) the letter of confirmation from the local government of Kabupaten Ketapang on the Proposed Joint Venture;
- ii) the approval of Badan Koordinasi Penanaman Modal ("BKPM") or Investment Coordinating Board in Indonesia;
- iii) the issuance of the HGU certificates or Right/Title to Cultivate the Land;
- iv) due diligence study on the Land and the Joint Venture Companies; and
- v) any other approvals, licenses and permits required for the Proposed Joint Venture.

The period for the fulfilment of the above conditions has since been extended up to and including 8 June 2009.

There have been no material changes to the status of the Proposed Joint Venture as at 20 May 2008.

9) *Group Borrowings and Debt Securities*

The Group does not have any borrowings or debt securities as at 31 March 2008.

10) *Off Balance Sheet Financial Instruments*

There are no off balance sheet financial instruments as at 20 May 2008.

11) *Changes in Material Litigation*

The hearing for delivery of the ruling of the Preliminary Objection in respect of the legal suit with regards to the 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 has been fixed on 20 June 2008.

Other than the above, there have been no changes to the status of the aforesaid litigation as at 20 May 2008.

12) *Dividend Proposed or Declared*

No dividend has been proposed or declared for the current quarter ended 31 March 2008.

13) *Earnings per Share*

	Current Quarter 1Q 2008
a) Basic earnings per share	
Profit for the financial period attributable to equity holders of the Company (RM'000)	<u><u>114,161</u></u>
Weighted average number of ordinary shares in issue ('000)	<u><u>755,820</u></u>
Basic earnings per share (<i>sen</i>)	<u><u>15.10</u></u>
b) Diluted earnings per share	
Profit for the financial period attributable to equity holders of the Company (RM'000)	<u><u>114,161</u></u>
<i>Adjusted weighted average number of ordinary shares in issue ('000)</i>	
Weighted average number of ordinary shares in issue	<u><u>755,820</u></u>
Adjustment for share options granted under the Asiatic Executive Share Option Scheme	<u><u>2,218</u></u>
	<u><u>758,038</u></u>
Diluted earnings per share (<i>sen</i>)	<u><u>15.06</u></u>

14) *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 2007 did not contain any qualification.

TAN SRI MOHD AMIN BIN OSMAN
Chairman
Asiatic Development Berhad
28 May 2008