



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

24 May 2007

Quarterly report on consolidated results for the first quarter ended 31 March 2007. The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2007

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31/03/2007 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/03/2006 RM'000	CURRENT YEAR TO-DATE 31/03/2007 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/03/2006 RM'000
Revenue	149,276	130,478	149,276	130,478
Cost of sales	(73,415)	(72,519)	(73,415)	(72,519)
Gross profit	75,861	57,959	75,861	57,959
Other income	3,284	2,985	3,284	2,985
Other expenses	(15,601)	(13,472)	(15,601)	(13,472)
Profit from operations	63,544	47,472	63,544	47,472
Share of results in associates	715	340	715	340
Profit before taxation	64,259	47,812	64,259	47,812
Taxation	(17,175)	(10,843)	(17,175)	(10,843)
Profit for the financial period	47,084	36,969	47,084	36,969
Attributable to:				
Equity holders of the Company	46,446	36,541	46,446	36,541
Minority interests	638	428	638	428
	<u>47,084</u>	<u>36,969</u>	<u>47,084</u>	<u>36,969</u>
Basic earnings per share - sen	<u>6.18</u>	<u>4.90</u>	<u>6.18</u>	<u>4.90</u>
Diluted earnings per share - sen	<u>6.14</u>	<u>4.86</u>	<u>6.14</u>	<u>4.86</u>

(The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2006 and the accompanying explanatory notes attached to this interim financial report.)



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

CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2007

	AS AT END OF CURRENT QUARTER 31/3/2007 RM'000	<i>Restated</i> AS AT PRECEDING FINANCIAL YEAR END 31/12/2006 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	367,942	367,644
Land held for property development	227,702	226,253
Investment properties	10,806	10,874
Plantation development*	448,694	445,512
Prepaid lease payments	248,376	249,226
Associates	13,676	12,961
Long term investments	32,705	32,653
Long term receivables	5,000	5,000
Deferred taxation	6,219	5,669
Current assets		
Property development costs	94,457	104,134
Inventories	128,511	114,926
Trade and other receivables	89,166	97,422
Amounts due from other related companies	11	4
Amount due from associates	930	1,094
Short term investments	157,207	121,184
Bank balances and deposits	151,585	140,179
	<u>621,867</u>	<u>578,943</u>
TOTAL ASSETS	<u>1,982,987</u>	<u>1,934,735</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	375,856	375,211
Reserves	1,429,477	1,382,152
	<u>1,805,333</u>	<u>1,757,363</u>
Minority interests	12,030	11,392
Total equity	<u>1,817,363</u>	<u>1,768,755</u>
Non-current liabilities		
Other payables	17,220	17,220
Provision for directors' retirement gratuities	5,566	5,566
Deferred taxation	42,193	41,088
	<u>64,979</u>	<u>63,874</u>
Current liabilities		
Trade and other payables	94,466	94,922
Amount due to ultimate holding and other related companies	1,146	1,887
Taxation	5,033	5,297
	<u>100,645</u>	<u>102,106</u>
Total liabilities	<u>165,624</u>	<u>165,980</u>
TOTAL EQUITY AND LIABILITIES	<u>1,982,987</u>	<u>1,934,735</u>
NET ASSETS PER SHARE (RM)	2.40	2.34

* Previously termed as biological assets.

(The Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the financial year ended 31 December 2006 and the accompanying explanatory notes attached to this interim financial report.)



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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2007

<----- Attributable to equity holders of the Company ----->

	Share Capital RM'000	Share Premium RM'000	Re- valuation Reserve RM'000	on Exchange Differences RM'000	Option Reserve RM'000	Retained Earnings RM'000	Total RM'000	Minority Interests RM'000	Total Equity RM'000
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 [see Note I(f)]	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
Balance at 1 January 2006									
As previously stated	372,779	28,269	18,115	288	-	1,210,444	1,629,895	10,634	1,640,529
Prior year adjustments	-	-	-	-	-	(15,556)	(15,556)	-	(15,556)
Restated balances	372,779	28,269	18,115	288	-	1,194,888	1,614,339	10,634	1,624,973
Foreign exchange differences recognised directly in equity	-	-	-	(9)	-	-	(9)	-	(9)
Profit for the financial period	-	-	-	-	-	36,541	36,541	428	36,969
Asiatic Executive Share Option Scheme									
- Shares issued	327	577	-	-	-	-	904	-	904
- Fair value of employees' services	-	-	-	-	140	-	140	-	140
Balance at 31 March 2006	373,106	28,846	18,115	279	140	1,231,429	1,651,915	11,062	1,662,977

(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 2006 and the accompanying explanatory notes attached to this interim financial report.)



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

CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2007

	2007	Restated
	RM'000	2006 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	64,259	47,812
Adjustments for:		
Depreciation of property, plant and equipment	4,726	4,064
Depreciation of investment property	115	152
Amortisation of prepaid lease payments	724	595
Interest income	(2,283)	(1,367)
Share of results in associates	(715)	(340)
Other adjustments	666	146
	3,233	3,250
Operating profit before changes in working capital	67,492	51,062
Changes in working capital:		
Net change in current assets	4,070	(18,527)
Net change in current liabilities	270	8,297
	4,340	(10,230)
Cash generated from operations	71,832	40,832
Tax paid (<i>net of tax refund</i>)	(16,182)	(12,515)
NET CASH GENERATED FROM OPERATING ACTIVITIES	55,650	28,317
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(9,557)	(7,815)
Plantation development	(2,952)	(2,244)
Other investing activities	2,281	2,681
NET CASH USED IN INVESTING ACTIVITIES	(10,228)	(7,378)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares [<i>see Note I(f)</i>]	2,007	904
NET CASH GENERATED FROM FINANCING ACTIVITIES	2,007	904
NET INCREASE IN CASH AND CASH EQUIVALENTS	47,429	21,843
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	261,363	179,603
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	308,792	201,446
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Short term investments	157,207	139,464
Bank balances and deposits	151,585	61,982
Cash and cash equivalents at end of financial period	308,792	201,446

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2006 and the accompanying explanatory notes attached to this interim financial report.)



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

ASIATIC DEVELOPMENT BERHAD NOTES TO THE INTERIM FINANCIAL REPORT - FIRST QUARTER ENDED 31 MARCH 2007

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 of the Company and its material subsidiaries for the 3 months period ended 31 March 2007 have been reviewed by the Company’s auditor in accordance with the International Standards on Review Engagements (“ISRE”) 2410 – Review of Interim Financial Information by the Independent Auditor of the Entity.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2006. 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 2006.

In the current period, the Group adopted the following revised FRSs which are applicable to financial statements for annual periods beginning on or after 1 October 2006 and are relevant to its operations:-

FRS 117 Leases

FRS 124 Related Party Disclosures (The disclosure requirements under FRS 124 will be presented in the annual financial statements for the financial year ending 31 December 2007)

The principal effects of the changes in accounting policies resulting from the adoption of the revised FRS 117 are set out below :-

i) Prior to the adoption of the revised FRS 117, leasehold land was classified as property, plant and equipment and was stated at cost or valuation less accumulated depreciation and impairment losses. Under the revised FRS 117, leasehold land is an operating lease unless title passes to the lessee at the end of the lease term. With the adoption of the revised FRS 117, the unamortised carrying amounts of leasehold land are now classified as prepaid lease payments and amortised over the period of its remaining lease term, as allowed by the transitional provisions of the revised FRS 117. The reclassification of leasehold land as prepaid lease payments has been accounted for retrospectively and the comparatives in the balance sheet have been restated.

ii) The effects on the comparatives to the Group on adoption of FRS 117 are as follows:

RM’000	As previously reported	Effects on adoption of FRS 117	As restated
Group			
At 1 January 2007			
Decrease in property, plant and equipment	616,870	(249,226)	367,644
Increase in prepaid lease payments	-	249,226	249,226

However, the impact from the adoption of FRS 117 on the income statement of the Company is immaterial and is not separately disclosed.

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 2006 did not contain any qualification.

c) Seasonal or Cyclical Factors

Fresh fruit bunches ("FFB") crop production are seasonal in nature. Based on the Group's past experiences, production of FFB normally peaks in the second half of the year but this cropping pattern can be affected by changes in weather conditions.

d) 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 2007.

e) Material Changes in Estimates

There were no significant changes made 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 quarter ended 31 March 2007 other than the issuance of 1,290,000 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.

g) Dividend Paid

No dividend was paid during the current quarter.

h) 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	128,982	20,294	-	149,276
Segment profit	55,798	5,191	272	61,261
Interest income				2,283
Share of results in associates				715
Profit before taxation				64,259
Taxation				(17,175)
Profit for the quarter				47,084

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 Year

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

k) 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 2007.

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 2006.

m) Capital Commitments

Authorised capital commitments not provided for in the interim financial statements as at 31 March 2007 are as follows:

	Contracted RM'000	Not Contracted RM'000	Total RM'000
Property, plant and equipment	30,542	71,544	102,086
Investment properties	1,076	283	1,359
Plantation development	18,703	18,122	36,825
Investments	1,119	-	1,119
	51,440	89,949	141,389



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

ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES – FIRST QUARTER ENDED 31 MARCH 2007

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	
	2007 RM'Million	2006 RM'Million	% +/-	4Q 2006 RM'Million	% +/-
Revenue					
Plantation	129.0	104.0	+24	154.8	-17
Property	20.3	26.4	-23	16.6	+22
	149.3	130.4	+15	171.4	-13
Profit before tax					
o Plantation	55.8	41.9	+33	69.4	-20
o Property	5.2	3.7	+41	3.6	+44
o Others	3.3	2.2	+50	3.4	-3
	64.3	47.8	+35	76.4	-16

The Group's revenue and pre-tax profit for the current quarter was a notable improvement from the previous year's corresponding quarter due to higher palm products selling prices amidst the robust commodities market.

The Group achieved an average crude palm oil selling price of RM1,925/mt in the current quarter or 35% higher as compared to RM1,424/mt in 1Q2006.

Palm kernel selling price was also traded higher under tight supply conditions with the Group registering an average selling price of RM1,076/mt against RM989/mt in 1Q2006.

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 despite higher achieved palm products selling prices and higher contribution from the property segment.

3) Prospects

Based on the improved outlook for the commodities market 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	16,620
- Deferred tax charge	555

	17,175
	=====

The effective tax rate for the current quarter is in line with the statutory tax rate.

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 2007.

8) *Status of Corporate Proposals Announced*

a) *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"). The Proposed Joint Venture is 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 Hak Guna Usaha 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.

Save for the foregoing, there have been no changes to the status of the Proposed Joint Venture as at 17 May 2007.

b) *Proposed Joint Venture in Biotechnology*

On 28 February 2007, the Company announced that Asiatic Centre For Genome Technology Sdn Bhd (formerly known as Cosmo-Lotus Sdn Bhd) (“ACGT”), a wholly owned subsidiary of the Company, had entered into a Joint Venture Formation Agreement with Synthetic Genomic Solutions Inc (formerly known as Synthetic Genomics Inc) (“SGSI”) for research and development relating to the use of genomics-based techniques and other methods or tools thereof to increase the yield and profit stream principally from oil palm.

On 14 May 2007, a joint venture entity namely SGSI-Asiatic Limited, incorporated in British Virgin Islands, has been identified. SGSI-Asiatic Limited will be equally owned by Degan Limited, a wholly owned subsidiary of ACGT, and Green Resources LLC, a wholly owned subsidiary of SGSI (collectively known as the “JV Parties”), upon completion of the subscription of shares in SGSI-Asiatic Limited by the JV Parties which is expected to be completed by end June 2007.

Save for the foregoing, there have been no changes to the status of the above proposal as at 17 May 2007.

c) *Proposed Share Buy-Back*

On 24 April 2007, the Company announced that the present mandate granted by the shareholders of the Company on 20 June 2006 for the Company to buy back its own shares will expire at the conclusion of the forthcoming Annual General Meeting (“AGM”). In this regard, the Company proposed to seek from its shareholders at the aforesaid AGM to be convened, a renewal of the authority to purchase up to ten percent (10%) of the issued and paid-up share capital of the Company comprising 751,760,000 ordinary shares of 50 sen each as at 24 April 2007 (“the Proposed Share Buy-Back”).

As at 17 May 2007, the Proposed Share Buy-Back is subject to the approval of the shareholders at the AGM to be convened on 20 June 2007.

9) *Group Borrowings and Debt Securities*

The Group does not have any borrowings or debt securities as at 31 March 2007.

10) *Off Balance Sheet Financial Instruments*

There are no off balance sheet financial instruments as at 17 May 2007.

11) *Changes in Material Litigation*

There have been no changes to the status 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 as at 17 May 2007.

12) *Dividend Proposed or Declared*

No dividend has been proposed or declared for the current quarter ended 31 March 2007.

13) *Earnings per Share*

	Current Quarter 1Q 2007
a) Basic earnings per share	
Profit for the financial period attributable to equity holders of the Company (RM'000)	46,446 =====
Weighted number of ordinary shares in issue ('000)	751,194 =====
Basic earnings per share (<i>sen</i>)	6.18 =====
b) Diluted earnings per share	
Profit for the financial year attributable to equity holders of the Company (RM'000)	46,446 =====
<i>Adjusted weighted number of ordinary shares in issue ('000)</i>	
Weighted number of ordinary shares in issue	751,194
Adjustment for share options granted under the Asiatic Executive Share Option Scheme	4,764 755,958 =====
Diluted earnings per share (<i>sen</i>)	6.14 =====

TAN SRI MOHD AMIN BIN OSMAN
Chairman
Asiatic Development Berhad